



MARKETDATA ENTERPRISES

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THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET - STRATEGIES FOR THE 1990s

(A Strategic Marketing & Economic Status Report,
Analysis, And Future Outlook)

This report has been prepared by using a comprehensive variety of secondary sources, including trade associations and journals, computer databases, financial and other directories, special surveys and articles, Government Census statistics, as well as original phone surveys conducted by Marketdata during December 1987 and January 1988.

The report is believed to be the most thorough and comprehensive analysis of the bowling industry ever performed, and is equally applicable to: the proprietor of a bowling center and/or pro shop, bowling equipment/accessories manufacturers, leisure sports industry analysts, brokerage firms, consultants, and ad agencies. It is intended to be both thought-provoking and a blueprint "action plan" for an industry turn-around.

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THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

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INTRODUCTION - STUDY SCOPE & INFORMATION SOURCES USED

A major source of public information about **any** industry or market analyzed by Marketdata is the U.S. Government--the most prolific producer of business information in the world. The **Standard Industrial Classification (SIC) System** was created to allow for the uniform collection and analysis of economic, marketing and financial statistics about **all** sectors of the U.S. economy. A 4-digit numerical code is assigned to each industry, with more detailed product line breakdowns available at the 5, 6 and 7-digit levels.

A major Census of businesses is performed every five years (years ending in a 2 or 7), producing a wealth of information. However, it generally takes two years after the survey is performed for the information to be printed and released. The user must accept this trade-off between the **quality** of the data and its **timeliness**.

The SIC system works so well that the private sector has embraced it as well. Mail list houses use it, as well as credit bureaus and financial directory publishers such as Standard & Poors, Dun & Bradstreet, TRW, Robert Morris Associates, etc.

For **this** report, **three** separate 4-digit SIC codes were searched, in three different segments of the bowling industry. These are.....

7933.....Bowling Centers (covered by the Census of
(the bowling proprietor) Service Industries)

"Establishments known to the public as bowling centers or lanes,
including candle pin, duck pin and ten pin centers "

3949.....Miscellaneous Sporting & Athletic Goods
Manufacturers (covered by the Census of
Manufactures)

(the bowling equipment & accessories supplier/mfr.)

"Establishments primarily engaged in manufacturing sporting and athletic goods, such as fishing tackle, golf and tennis goods, baseball, football, basketball, and boxing equipment, gymnasium and playground equipment, billiard and pool tables, and bowling alleys and equipment. Establishments manufacturing athletic apparel are classified in Major Group 23."

5941.....Sporting Goods Stores & Bicycle Shops
(covered by the Census of Retail Trade)

(the independent, retail "pro shop" selling bowling supplies is included within this SIC code.)

"Establishments primarily engaged in the retail sale of sporting goods, equipment, bicycles, parts, and accessories. Includes: camping equipment, bait and tackle shops, exercise apparatus, firearms, fishing, golf, gymnasium, hunter's, playground, pool and billiards, saddlery, skiing, skin diving, tennis equipment."

SIC code **7933** represents information pertinent **only** to bowling centers, while **3949** mixes bowling equipment manufacturers (such as AMF, Brunswick, etc.) with producers of goods for **other** sports, and **5941** mixes bowling "pro shops" data with that of sporting goods shops selling not only bowling equipment but a full line of other sporting goods. However, the information is still very useful, because such manufacturers or retail establishments have many similarities, similar operating costs, and deal with the same kinds of customers.

The last Censuses (of Service Industries, Manufactures, Retail Trade) were performed in 1982, and are the latest available. The 1987 Census is now in progress, and information generated by it should become available by 1989. In this report, we have compared 1982 data to 1977 figures, for trend analyses, wherever possible. Certain pieces of information are slightly more up-to-date, such as the 1985 "County Business Patterns" state data.

Marketdata believes that it is dangerous to rely on just **one** source, and therefore uses a comprehensive variety of information sources in all its reports. The following sources were also used, and constitute a major portion of the total information collected.....

1983-86 Service Annual Surveys (U.S. Dept. of Commerce)

Trade Associations & Staffs

- * American Bowling Congress
- * Women's International Bowling Congress
- * Bowling Proprietors Association of America
- * National Bowling Council
- * Young Americans Bowling Alliance
- * Professional Bowler's Association

Trade Associations (continued)

- * Eastern Long Island Bowling Association
- * National Sporting Goods Association
- * Nassau County BPAA

Trade Journals & Editorial Staffs

- * Bowling Proprietor
- * Bowler's Journal

Original Marketdata Research

- * "Primary" phone surveys of bowling center and pro shop proprietors
- * Discussions with trade association and trade journal staff personnel and editors, industry analysts, stock brokerage houses, affiliated research companies.

Several hundred phone calls were made by Marketdata, during November 1987 - January, 1988, to proprietors of bowling centers and pro shops nationwide. These discussions were extremely fruitful and insightful. Findings of this phone survey are summarized within the individual sections of the report, and led Marketdata to the recommended strategies provided. We'd like to thank the industry's proprietors for sharing their time with us, and discussing their challenges, problems, and opportunities.

Financial Directories, Reports, Surveys

- * Dun & Bradstreet Million Dollar Directory - 1987
- * Standard & Poors Stock Sheets, Industry Surveys
- * Value Line Investment Surveys
- * Robert Morris Associates-Annual Financial Statements

Newspapers & Periodicals

- * Business Week
- * The Wall Street Journal
- * Local newspaper articles-Newsday

Computerized Business Databases

- * Custom search of Predicasts "U.S. Forecasts" database

Company Annual Reports & Product Literature

INDUSTRY OVERVIEW

SIZE AND GROWTH OF THE INDUSTRY

The bowling industry is comprised of three distinct but interrelated segments--**bowling centers, retail sporting goods or "pro shops", and equipment manufacturers** that supply the former groups. **The size of the market as of 1987 is estimated by Marketdata to total \$2.837 billion**, with \$2.66 billion derived from bowling centers' receipts and \$177 million from retail sales of bowling equipment (balls, bags, shoes, pinspotter machines, pins, novelties & accessories, center modernizations, lockers, ball cleaning machines, etc.). At the manufacturing or **factory** level, equipment sales are estimated at \$138 million, prior to distributor and retailer mark-up.

For 1988, the value of bowling centers' receipts is expected to grow 5% to \$2.799 billion, and retail sales of equipment are estimated to reach \$188 million, for a combined industry total of \$2.987 billion. Further out, Marketdata forecasts the industry to grow at a 1.7% annual pace, to \$3.337 billion by 1995. This takes into account our forecast of economic downturns or recessions in 1989 and 1994, in line with historical patterns of the U.S. business cycle. In such years, it is likely that industry sales volume will stay the same or decline by 2-5%.

INDUSTRY STRUCTURE

As for the industry's structure, there were 8,031 bowling centers operational in the United States during the 1986-87 season, operated by about 5,760 **companies** (1982 Census data). These centers contained a total of 151,312 lanes. The "average" or typical center contained 18.8 lanes, employed 14.8 workers, and had average annual receipts of \$350,000 in 1987. Payroll costs accounted for 28.8% of each sales dollar, and at least 72% of all centers are owned by **corporations** (1982 data-probably higher today).

A total of 8.8% of centers were operated by **partnerships**, and 8.5% were operated as **individual proprietorships**. Corporate-owned centers captured 83% of total receipts. The 4 largest firms captured 9.1% of receipts in 1982, the top 8 companies - 11.4%, the top 20 - 14.6%, and the top 50 - 18.8%. Therefore, due to the large number of firms and centers, it is not a heavily concentrated industry.

As of 1987, there were 2,742 retail "bowling apparel & accessory shops" in the U.S. Marketdata's best estimate, from telephone survey research, is that two-thirds to 75% of these pro shops are operated on a **part-time** basis. **Their sales were estimated to rise an average of 2.5% in 1987, but better performance is forecast for 1988, 6% growth.**

A few dozen bowling equipment manufacturers comprise the third segment. These companies produce: bowling balls, bags, shoes, shirts, accessories, lockers, pins, pinspotter machines and lane maintenance equipment, automatic scoring machines and control desk/cash control systems, offer center modernization services, etc. The major firms dividing this \$188 million market include: AMF Bowling Products, Brunswick Corp., Columbia Industries, Ebonite, King Louis Enterprises, Murrey International, World Impex Bowling, Hilton, Dexter Shoe, Hyde Athletic Industries, Lind Shoe Co., Gotham Shoe, Roto Grip/Roto Star, Star Track, Fab Balls, and Gemtech.

Significant consolidations have taken place in recent years, with more centers operated by large chains such as: Bowling Corp. of America, Fair Lanes, Leisure Time, Brunswick, and the American Bowling Corp. Large companies like AMF and Brunswick still do well today because they are diversified into sports **other** than bowling. Brunswick's "Leisure Services" Division (which includes bowling) was estimated to have a 4.7% sales increase in 1987, with an operating margin of 15% (sales of \$120 million for this division). AMF was bought out by a group of five investors in 1987, with headquarters moved from Westbury, NY to Richmond, VA. Fair Lanes was also purchased by an investor group, during 1986.

MAJOR INDUSTRY PROBLEMS & ISSUES

According to the results of Marketdata's December 1987/January 1988 bowling center proprietor phone survey, **the number one issue or problem today is the cost and/or availability of liability insurance, followed closely by the closing of centers and declining numbers of bowlers nationwide.** Many proprietors report that insurance costs are not rising as fast as a few years ago, and are levelling off, but it is still a major problem and has been a major factor in the forced rise in the price of a game of bowling.

The industry's main trade group, the BPAA (Bowling Proprietor's Assoc. of America) was urged to do something about rising insurance costs several

years ago. Proprietors wanted their own insurance company, and the BPAA responded by forming the International Bowling Proprietors Risk Management Company, financed through the sale of stock sold at \$1 per share. A minimum investment of \$1,000 is required. The goals are to: stabilize the market, improve bowling as a risk, make coverage available to centers in bad times as well as good, obtain more control over the situation, and decrease the long-term cost of insurance for centers. Respondents to Marketdata's phone survey reported that, as of January 1988, the BPAA Insurance company still was not operational, and that many had formed insurance companies of their own, or gone through brokers to obtain reasonable rates.

Rising insurance rates were the major contributor to the increased cost of an average game, adding some 50 cents to a game over a three year period (to as high as \$2.25/game in some areas). In this industry, such rapid price increases are unheard of, and have no doubt hurt business as bowlers bowl less frequently (less leagues per week, and less practice).

The closing of many centers nationwide is the other major industry problem, and it is not restricted to large cities with high real estate prices and operating costs. The reasons **why** a center closes are complex and interrelated. A center's closing has a strong, adverse ripple effect on the retail pro shops and the major equipment manufacturers serving the center's bowlers.

Some of the reasons a center may close include the following.....

* **Regional factors**.....High real estate prices, as in the Mid-Atlantic states, entice owners to sell out at prices that regularly reach \$5-7 million. The land is typically used for commercial development (shopping malls, office buildings). High operating costs (labor, gas & electric, taxes, etc.) eat into profitability, making it difficult to continue.

* **Bowler drop-out and loss of interest** in the sport. Complaints run the gamut--from inconsistent scoring conditions to lack of recognition, late starting times for leagues, busier work schedules (and more women working), economics, competition from other "healthier" sports, Cable TV, etc. Regarding economics, the WIBC's (Womens Intl. Bowling Congress) biggest legal issue is the non-payment of league fees (77% of total legal cases). Many centers do not offer an environment of excitement, do not recognize the accomplishments of their customers enough, and have let the physical appearance of the center deteriorate. Also, bowling as a sport suffers from a bad public relations image (negatives: smoke filled centers,

dingy, poorly lit, blue-collar in nature, negative words describe the industry.....alley, gutters, etc.).

* There is **poor "continuance"** in the industry--that is, passing the business on to center proprietors' children. More frequently, they sell the business.

* **The business is a lot more complicated** than it used to be 10-20 years ago, and many proprietors do not possess adequate business management skills needed to survive today. They are afraid to change, to computerize, to experiment, and need to do a much better job researching customer needs. Marketing and promotion of their center and the sport frequently takes second place, when that is what is needed most.

* **Declining center profitability**.....Operating expenses represented 94% of sales in 1986, compared to 89.3% back in 1981. Operating profit slid from 10.7% to 5.9% in just five years.

Retail pro shops are extremely vulnerable to the effects of a center closing in the area. Their business is much too cyclical, dependent upon winter peak seasons, and most are not diversified enough to reduce this cyclicity. Equipment manufacturers are affected by the declining numbers of bowlers as well.

Another controversy centers upon frictions between the sport's governing body (The American Bowling Congress-ABC) and bowling center proprietors. **The problem arises over the method by which proprietors oil their lanes.** When the lanes are oiled more heavily in the center than at the edges, it steers or "blocks" balls toward the 1-3 pocket, increasing the number of strikes and inflating scores. Such selective oiling practices have been part of bowling for decades, but became controversial when in 1982 Glenn Allison became the first bowler ever to roll a perfect 900 series (three 300 games) in an ABC-sanctioned league. The ABC refused to make Allison's score official, due to improper lane oiling.

Allison sued the ABC, and lost. After several years, the ABC in 1986 introduced the **"limited distance dressing" rule**, permitting proprietors to oil lanes in any manner no more than 26 ft. past the foul line. In 1987 the distance was shortened to 24 ft. The Bowling Proprietors Assoc. of America reported in 1987 that about 70% of the bowling centers adopted short-oil dressing. A proprietor states: "Lane blocking used to be the enemy of honest scoring. Now you have blocking *and* short oil."

Most bowlers seem to be scoring better under the short-oil condition, but it is a mixed blessing. Proprietors that **don't** use this method, will lose business to the center that **does**, but bowlers don't practice as much as they used to, since they are scoring higher **without** the extra practice. Also, bowlers do not travel outside their home lanes as much, for fear of trying unfamiliar conditions. All in all, it isn't a healthy situation.

GROWTH AREAS AND POSITIVE FACTORS

Long-term demographic trends in the U.S. population favor bowling as a sport. **There are increasing numbers of seniors**, for which the sport is a natural. Bowling is not strenuous exercise, and seniors have the time and money to bowl, frequently several times per week. It is good way to socialize and meet new people as well. In states such as Florida, with a high concentration of seniors, bowling does very well.

Junior bowling is another future growth area. These bowlers have not been soured on the industry's problems as yet, and they represent the future league bowlers that will keep centers and pro shops in business. The WIBC (Womens Intl. Bowling Congress) started a new Pee-Wee division in August 1987 (ages 3-7). Gutter "bumpers" that steer balls back to the pins are very well endorsed and used heavily to promote junior bowling. And, the National Bowling Council sponsored successful "Super Bowl in Saturday" and "Bowling In The U.S.A" programs last year (with gymnast Mary Lou Retton as spokesperson).

Bowling, for the first time in 50 years, has earned a berth as an exhibition sport in the 1988 Summer Olympics in Korea, a move that can only enhance the image and professionalism of bowling vis-a-vis other sports.

Ample national publicity opportunities exist, in the form of highly-rated sports telecasts such as ABC TV's Saturday afternoon "Pro Bowler's Tour" tournament final matches, as well as ESPN Cable TV Wednesday night telecasts, and NBC's Fall Tour.

The major industry manufacturers like AMF are attempting to upgrade the sport's image in the consumer's mind by pushing **bowling center "modernizations"**. These revampings include redesign, installation of new carpeting, redesigned and more profitable lounge and snack bar areas, greater efficiency via computerized cash control and scoring equipment, synthetic lanes requiring less maintenance, and higher lineage prices.

MARKETDATA RECOMMENDATIONS

Specific recommendations for bowling center and pro shop proprietors are contained in the sections which follow, but in general, our recommendations for the industry as a whole are as follows.....

- * Upgrade consumer attitudes toward the sport via exploitation of all possible positive publicity and media exposures, as well as continued modernization of existing run-down facilities.
- * Center owners need to be more customer and marketing-oriented. The owner today has to do **everything** right, paying greater attention to the details.
- * Go **with** broader demographic trends, rather than fighting them.
- * Upgrade management skills of proprietors. Use business techniques employed by **other** corporations and industries. Make better use of tracking industry "yardsticks" (of labor productivity, financial performance, etc.).
- * Reduce the individual owner's vulnerability by joining and actively participating in national trade groups' programs. Take advantage of such groups' ability to obtain reduced-cost liability insurance, wield more clout, obtain advice regarding operations/problems, generate new ideas, and obtain support. The business is too difficult and complex today to survive as a "mom and pop" operation.
- * Retain bowlers by addressing their concerns better. Reconcile differences and controversies regarding short-oil conditions. Reward bowler accomplishments better. Do more marketing/customer research in general.
- * Centers, pro shops, manufacturers, and trade associations need to work together more, in a more complementary and coordinated fashion, to upgrade the sport's image and retain existing bowlers, and grow new ones that will support them in the future. Each group should not view the other as an adversary, but as a partner in an overall master plan to turn the business around.

BOWLER DEMOGRAPHICS & PARTICIPATION LEVELS

- 1 Information contained in this chapter was obtained from the following sources.....The American Bowling Congress, Women's International Bowling Congress, National Bowling Council, Young Americans Bowling Alliance, Market Facts, and the National Sporting Goods Association, as well as various newspaper articles.

HOW MANY AMERICANS BOWL, AND HOW POPULAR IS THE SPORT ?

According to the NSGA, bowling was the **sixth** most popular U.S. participation sport in 1986, with 16% of Americans taking part at some time during the year (not regular, weekly rate). Swimming is enjoyed by 34%, more than any other sport, followed by exercise walking (25%) and bicycling (23%). By age group, children under 12 are **most** likely to ride a bicycle, persons age 12-17 are most likely to play basketball, age 18-24 most likely to exercise with equipment or run/jog (tied at 23%)-followed closely by bowling, aerobic exercises, and basketball, those 25-34 years old are most likely to perform aerobic exercises, persons age 35 or older are most likely to do exercise walking.

However, these rates are based on taking part in the sport on an infrequent basis, **any** time during the year. For the bowling industry, the more important numbers are the **regular**, weekly, organized participants. A total of 12 million people bowl **weekly**. 8 million of these are adult league bowlers, 1 million are youth league bowlers, and another 3 million are casual or "open" bowlers.

Participation, of course, varies by region. A 1986 study by Scarborough Research, a New York market research firm, tracked sports participation and found that, on Long Island, New York, for example, bicycling was the most popular sport (46% of Long Islanders took part). But, in contrast to the national pattern, **bowling** ranked second. In the affluent Nassau-Suffolk county market, over 25% of adults were found to bowl. Participation levels were found to be about the same as the survey conducted two years ago.

The **American Bowling Congress** continues to be the world's largest sports membership organization, but its membership slipped 4.8% or 172,592 people, to 3,424,204 for the 1986-87 season. **Women bowler's** ranks also continued to fall, according to the **WIBC**. The WIBC's membership dropped 6.2% to 3,199,508 as of March 1987, and the number of sanctioned leagues fell 5.2% to 114,569. In addition, **YABA** (Young American Bowling Alliance) membership dropped 4% from the prior year,

to a total of 663,411. **Collegians** posted the biggest decline, down 20.3%. However, the number of **seniors leagues** continues to grow, and a new "Pee Wee" division of the WIBC (youngsters aged 3-7) was to have been started in August of 1987.

For the first time ever, **Michigan** boasted the greatest number of American Bowling Congress **members** for the 1986-87 season, at 288,795, followed closely by New York state at 285,976. Ohio and California were third and fourth. **California** had the greatest number of **leagues** in the nation, with 12,011, followed by New York and Michigan. By specific geographic area, **Greater Detroit** had the highest membership by far, at 114,091. The **Chicago Metropolitan** area was second at 68,917. The Detroit area also had the most ABC-certified leagues, at 3,198 during 1986-87.

For the women, the top states in number of WIBC **league members** were: Michigan (285,267), New York (262,895), Ohio (256,157) and California (239,979). For the number of women's **leagues**, the order was a little different: California (13,543), New York (10,198), Ohio (9373) and Michigan (9281).

WHAT ARE THE CHARACTERISTICS OF THE TYPICAL BOWLER ?

According to a 1985 survey by the National Bowling Council, and demographic figures from the Census Bureau, the average American bowler is.....

- * Younger than the average U.S. resident (33.3 years)
- * Earns 22% more money than average (\$25,556)
- * Is more likely to be a high school or college graduate
- * Is more likely to be in a professional/managerial position
- * Is more likely to own a home (76% vs. 65%)
- * Is likely to have more children (3.5 vs. 2.7 persons per household)

By age, the bulk of the market is concentrated in adults, aged 18 or more. Compared to the overall U.S. population, the "core" market is the 12-34 year old group. For example, 12-17 yr. olds make up 10% of the total population but account for **15%** of all **bowlers**. 25-34 yr. olds account for 19% of the general population, but **24%** of all bowlers. Nearly 60% of all bowlers fall into the 18-49 yr. old group. The widest disparity occurs in the seniors market, where people age 65+ account for 13% of the population but only 4% of all bowlers. This represents a good growth opportunity for proprietors for the future, as the U.S. population ages.

By Occupation, 22% of all bowlers are classified as professional or managerial (vs. 30% of total population), 30% are in clerical or sales positions (vs. 24% U.S.), 13% are craftsmen or foremen (vs. 27% U.S.), 13% are employed by the service sector (vs. 10% U.S.), and 22% are in "other" occupations (vs. 9% U.S.).

By Household Income, the following is true.....

Bowlers Earn:		Avg. U.S. Household Earns:	
12% - under \$10,000		23% - und. \$10,000	
11 -	10-14,999	11 -	10-14,999
11 -	15-19,999	12 -	15-19,999
14 -	20-24,999	11 -	20-24,999
12 -	25-29,999	9 -	25-29,999
18 -	30-39,999	14 -	30-39,999
22 -	40,000+	18 -	40,000+

By Marital Status, 71% of adult bowlers are married, compared to 64% of the general population. The average American is more likely to be single (21%) than the average bowler (13%).

By Geographic Region, fully 25% of all bowlers are located in the "East North Central" Census region, versus 18% of the total population. Bowlers are also **more** heavily concentrated in New England and Middle Atlantic states. They are **less** prevalent in the South Atlantic, East South Central, West South Central, and Pacific regions. Perhaps the reason for this is that these Northern regions have longer winters and more seasonal effects that favor moving indoors to bowl. Southeast, Southwest, and Western states have milder climates and therefore proprietors encounter more competition from outdoor, warm-weather sports such as golf, boating, swimming, etc. on a year-round basis.

By Consumer Product Consumption, male bowlers constitute potent, above-average markets for such items as after shave and cologne, electric shavers, and beer. Women bowlers buy above-average quantities of cosmetics such as nail polish, mascara, perfume, and eye shadow. Both sexes are much more inclined than the average American to buy jeans.

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**THE TOP 10 AMERICAN PARTICIPATION SPORTS
DISTRIBUTION BY AGE GROUP**

SPORT	TOTAL	1-12	12-17	18-24	25-34	35-54	55+
SWIMMING	34%	13%	16%	16%	24%	22%	9%
EXERCISE WALKING	25	3	5	12	21	32	26
BICYCLING	23	17	20	13	21	20	9
CAMPING	19	12	13	14	28	24	9
FISHING (freshwater)	19	10	13	14	26	25	12
BOWLING	16	6	14	21	27	23	9
EXERCISING (with equipment)	15	2	14	23	28	25	8
RUNNING/JOGGING	11	7	21	23	25	20	4
AEROBIC EXERCISES	10	4	11	21	33	25	6
BASKETBALL	10	12	35	22	20	10	1

SOURCE: National Sporting Goods Association, 1986 Survey

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

AMERICAN BOWLING CONGRESS MEMBERSHIP: 1986-87 SEASON

MEMBERSHIP BY STATE & AREA ASSOCIATION

MEMBERSHIP-RANKED BY TOP 10 STATES

STATE	MEMBERS	LEAGUES
1. MICHIGAN	288,795	8,743
2. NEW YORK	285,976	9,845
3. OHIO	254,066	8,537
4. CALIFORNIA	252,783	12,011
5. ILLINOIS	196,493	6,277
6. WISCONSIN	176,892	6,404
7. PENNSYLVANIA	156,267	5,849
8. TEXAS	137,596	5,863
9. FLORIDA	123,100	4,919
10. INDIANA	115,848	3,734

MEMBERSHIP-BY TOP 25 ASSOCIATIONS

1. GREATER DETROIT	114,091	3,198
2. CHICAGO METROPOLITAN	68,917	1,996
3. EASTERN LONG ISLAND	39,539	1,220
4. NATION'S CAPITAL	37,774	1,349
5. DENVER	36,291	1,486
6. MINNEAPOLIS DISTRICT	33,284	1,089
7. GREATER MILWAUKEE	31,919	1,268
8. GREATER CLEVELAND	30,930	918
9. BUFFALO	30,126	937
10. GREATER ST. LOUIS	29,040	1,054
11. ROCHESTER, NY	28,722	1,038
12. NEW YORK	28,270	965
13. GREATER CINCINNATI	25,443	963
14. CITRUS BELT (CALIF.)	25,413	1,099
15. GREATER PHOENIX	24,056	971
16. HOUSTON	23,244	989
17. LOS ANGELES	22,645	1,029
18. GREATER COLUMBUS	22,332	863
19. ORANGE COUNTY (CALIF.)	22,028	1,058
20. TOLEDO	21,750	787
21. GREATER LOUISVILLE	21,378	712
22. GREATER INDIANAPOLIS	21,374	718
23. GREATER PHILADELPHIA	21,234	670
24. GREATER BALTIMORE	19,831	833
25. GREATER GRAND RAPIDS, MI	18,544	667

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

WOMEN'S LEAGUE MEMBERS, RANKED BY STATE
1986-87 SEASON

STATE	• OF LEAGUE MEMBERS	STATE	• OF LEAGUE MEMBERS
TOTAL U.S.	3, 205, 896		
MICHIGAN	285, 267	TENNESSEE	31, 509
NEW YORK	262, 895	LOUISIANA	30, 794
OHIO	256, 167	UTAH	27, 760
CALIFORNIA	239, 979	MARYLAND	27, 685
ILLINOIS	195, 301	NO. DAKOTA	24, 034
WISCONSIN	184, 871	MONTANA	21, 997
PENNSYLVANIA	133, 264	SO. DAKOTA	21, 553
TEXAS	130, 261	SO. CAROLINA	20, 320
FLORIDA	124, 645	NEW MEXICO	20, 104
MINNESOTA	115, 939	W. VIRGINIA	20, 000
INDIANA	113, 739	ARKANSAS	18, 905
NEW JERSEY	93, 445	MASSACHUSETTS	18, 535
MISSOURI	88, 143	ALABAMA	17, 540
WASHINGTON	74, 444	IDAHO	17, 305
IOWA	71, 483	NEVADA	17, 077
VIRGINIA	71, 425	WYOMING	13, 283
COLORADO	68, 282	DELAWARE	12, 268
KANSAS	48, 978	ALASKA	11, 746
NEBRASKA	48, 621	HAWAII	9, 461
ARIZONA	46, 344	MISSISSIPPI	8, 159
KENTUCKY	39, 905	VERMONT	7, 566
OKLAHOMA	38, 577	RHODE ISLAND	6, 736
OREGON	38, 469	NEW HAMPSHIRE	3, 632
NO. CAROLINA	37, 548	MAINE	3, 155
GEORGIA	33, 735		
CONNECTICUT	33, 045		

SOURCE: Women's International Bowling Congress, Annual Report

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

WOMEN'S LEAGUES & MEMBERS, RANKED BY STATE
1986-87 SEASON

STATE	# OF LEAGUES	STATE	# OF LEAGUES
TOTAL U.S. 134,699			
CALIFORNIA	13,543	TENNESSEE	1,497
NEW YORK	10,198	MARYLAND	1,359
OHIO	9,373	CONNECTICUT	1,324
MICHIGAN	9,281	SO. CAROLINA	1,226
ILLINOIS	6,953	UTAH	938
WISCONSIN	6,879	MASSACHUSETTS	922
TEXAS	6,209	ARKANSAS	846
PENNSYLVANIA	6,006	NO. DAKOTA	841
FLORIDA	5,534	ALABAMA	833
INDIANA	3,981	NEW MEXICO	822
MINNESOTA	3,907	W. VIRGINIA	767
NEW JERSEY	3,706	SO. DAKOTA	765
MISSOURI	3,580	NEVADA	758
WASHINGTON	3,173	MONTANA	755
VIRGINIA	3,112	IDAHO	658
COLORADO	2,958	HAWAII	563
IOWA	2,654	DELAWARE	544
ARIZONA	2,154	WYOMING	501
KANSAS	2,016	ALASKA	499
NO. CAROLINA	1,929	MISSISSIPPI	363
GEORGIA	1,717	RHODE ISLAND	354
OKLAHOMA	1,715	VERMONT	255
OREGON	1,677	NEW HAMPSHIRE	180
NEBRASKA	1,638	MAINE	142
KENTUCKY	1,537		
LOUISIANA	1,527		

SOURCE: Women's International Bowling Congress, Annual Report

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

DEMOGRAPHIC PROFILE OF THE TYPICAL AMERICAN BOWLER

<u>PROFILE</u>	<u>BOWLERS</u>	<u>U. S. POPULATION</u>
MEDIAN ADULT AGE	33.3 yrs.	39.9 yrs.
18 TO 34	40%	32%
18 TO 49	59	51
MEDIAN HOUSEHOLD INCOME	\$25, 556	\$20, 885
HOUSEHOLD INCOME \$25,000+	52%	41%
HIGHEST EDUCATIONAL LEVEL		
Graduated/Attended College	49%	32%
High School Graduate	44%	34%
EMPLOYMENT		
Professional/Managerial	30%	22%
Craftsman/Foreman	27%	13%
MARRIED	71%	72%
OWN HOME	76%	65%
CHILDREN UNDER 18	49%	42%
MEAN HOUSEHOLD SIZE	3.5 persons	2.7 persons

**SOURCE: National Bowling Council, Market Facts 1985 Survey,
U.S. Bureau of the Census**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

DEMOGRAPHIC PROFILE OF THE TYPICAL AMERICAN BOWLER

BOWLERS BY AGE GROUP

<u>AGE</u>	<u>% OF BOWLERS</u>	<u>% OF U.S. POPULATION 5+</u>
5-11	12%	11%
12-17	15	10
18-24	16	13
25-34	24	19
35-49	19	19
50-64	10	15
65 +	4	13
<u>MEDIAN AGE</u>		
TOTAL 5 +	27.3 yrs.	33.4 yrs.
ADULTS 18 +	33.3 yrs.	39.9 yrs.

**SUMMARY: 40% are 18-34 yrs. old, 43% are 25-49 yrs.,
59% are 18-49.**

**SOURCE: National Bowling Council, Market Facts 1985 Survey,
U.S. Bureau of the Census**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

DEMOGRAPHIC PROFILE OF THE TYPICAL AMERICAN BOWLER

BOWLERS BY GEOGRAPHIC REGION

<u>CENSUS REGION</u>	<u>PERCENT OF BOWLERS</u>	<u>PERCENT OF U.S POPULATION</u>
New England	6%	5%
Middle Atlantic	18	16
East North Central	25	18
West North Central	8	8
South Atlantic	14	17
East South Central	4	6
West South Central	9	11
Mountain	5	5
Pacific	11	14

**SOURCE: National Bowling Council; Market Facts 1985 Survey,
U.S. Bureau of the Census**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

DEMOGRAPHIC PROFILE OF THE TYPICAL AMERICAN BOWLER

**BOWLER CONSUMER PRODUCT USAGE RATES
(United States Adult Index = 100)**

CATEGORY-PRODUCT	ADULT BOWLER INDEX
After Shave & Cologne (men)	226
Bottled Spring Water	109
Children's Clothing	120
Cigarettes	116
Diet Cola	122
Disposable Razors	115
Domestic Air Travel	132
Electric Shavers	157
Eye Shadow (women)	242
Fast Food Restaurants	112
Foreign Travel	118
Home Computers	144
Imported Beer	145
Imported & Domestic Wine	122
Jeans	295
Light Beer	147
Mascara (women)	250
Nail polish (women)	212
Perfume (women)	198
Vodka	143

**SOURCE: National Bowling Council, Simmen's Market
Research Bureau-1984**

BOWLING CENTER PROPRIETOR SURVEY RESULTS: 1987 PERFORMANCE & 1988 OUTLOOK

Marketdata conducted a telephone survey of several hundred proprietors, owners, and general managers of bowling centers nationwide. We do not claim that this was an all-inclusive industry survey, or conducted according to strict, scientific methods. But, the survey was conducted in a consistent manner, and we do feel that the sample was large enough to be representative of proprietors' issues, with the results confidently extrapolated to the larger number of owners across the U.S. Phone calls were made during December of 1987, and the following basic questions were asked.....

- * What are the most important issues impacting your business, today and coming up in the near future ?
- * What are you planning to do to cope with them ?
- * How much were receipts up in 1987 over 1986, and what is your estimate for 1988 ?
- * What do you have planned for the 1988 Summer Olympics, any "tie-in" promotions/activities ?
- * Which of your costs/expenses are rising most rapidly, and why ?
- * Do you have a problem with league bowler drop-out/retention ?
- * Are there any growth areas (senior citizens, junior leagues, etc.) ?
- * Do you have any innovative new marketing/promotional programs ?
- * Do you use a computer system to keep records, mail lists, etc. ?
- * How well do you feel synthetic lanes are catching on ?

The findings of these discussions were extremely interesting and informative, with most proprietors being receptive and open to a frank discussion of the industry's history, problems, challenges and potential for future growth. These are the findings.....

KEY INDUSTRY ISSUES

1) The overwhelming majority of proprietors stated that the cost and availability of **liability insurance** was still the number one issue--**not** the ABC's controversial limited distance dressing rule. Insurance costs are still rising, although not at the same rate as 2-3 years ago. Costs seem to be levelling off for many proprietors now, but the damage has been done. Costs rose 400-500% in three years. The price of an average game in the Northeast now ranges between \$1.80-2.25, an increase of 50% in three years, mostly due to higher insurance costs that had to be passed on to bowlers. In the past, anything more than a 5-10-cent per game increase in one year would have been unthinkable.

In New York, especially on Long Island, **other** costs are rising fast as well. Gas & electric rates charged by LILCO (L.I. Lighting Co.) are amongst the highest in the nation. Property taxes, garbage removal, and labor costs are also very high. Proprietors must compete with local fast-food chains such as McDonalds and Burger King, who offer part-time starting wages of \$5/hr. or higher, due to a shrinking local supply of low-cost labor. Many centers are hiring "from within" via word-of-mouth.

2) Closing/sale of bowling centers.....This issue is critical today, since its effect is to reduce the total number of active bowlers. The reasons for closure are many, and are inter-related. Regional conditions are crucial here. For example, in the Northeast, especially the New York-New Jersey- Connecticut area, reasons for closing a center focus on the rapid rise of real estate values. In the suburbs, many retail shopping center or office complex developers approach owners with cash offers to buy out the business that are too attractive to pass up. \$5-7 million selling prices for the land an average sized center stood on are not uncommon. Consider the following factors:

- * Many proprietors first got into the business in the 1950s or 1960s, and are now nearing retirement age. Buy-out offers are attractive options for them.
- * Many owners do not pass the center on to family members--their sons and daughters opt for more glamorous jobs on Wall Street, with large corporations, or the finance-insurance-real estate or high-tech sectors so prevalent in the Northeast. There is a real lack of "contin-uance" in the industry, and virtually no "formal training" in how to run a bowling center. The result--a critical shortage of "new blood" and new ideas.
- * Scarce labor, shrinking numbers of bowlers, rising operating costs on all fronts.

Incredible as it may seem, within three years there may only be one bowling center located in New York City, one of the largest cities in the world and one of the most sports-oriented! Madison Square Garden may be rebuilt (and the current center not replaced), Mid-City Lanes (leased by the NY Port Authority) will close, etc.

When a center closes, 30-35% of the bowlers that used to patronize it are probably lost for good, unless another center is located within a reasonable distance. People will travel only so far to bowl, and if the center is too far from their neighborhood they will probably not be bowling with the same friends as before. The social aspect of the sport, the

comraderie, cannot be taken lightly--It is significant. These "lost" bowlers take up other activities, or are lured to stay at home and be entertained by Cable TV, especially in the cold winter weather.

3) Retention of league bowlers.....This is still a problem for many proprietors, due to several factors:

- * More women now hold full-time jobs and pursue careers than ever before, resulting in a steady decline in day league membership. In high cost-of-living areas such as the Northeast, wives **must** work and bring in a second income to support the family and pay housing costs. This is a national demographic trend that will be with us for some time and cannot be denied. Day care/nursery facilities in the bowling center are a must for those mothers that do bowl, part-time female workers, and those that are full-time mothers.

However, some centers did notice a recent turn-around in the number of daytime women bowlers. Numbers have stabilized or increased slightly. Apparently, many "baby boom" mothers that pursued careers are in their 30s now, having children of their own, and are only working **part-time**. Therefore, they have the time to bowl once again. As many female executives become disappointed with pressures of a career, the full-time mother may not be considered a dirty word anymore.

- * The cost of many leagues now approaches \$12-15 per night for money leagues with prize funds. At that rate, bowlers that used to bowl 3-4 times weekly have cut down their schedule to 1-2 times per week.

4) Physical appearance and condition of centers.....This issue was mentioned as being a major problem. More progressive, younger proprietors were more likely to admit this, stating that many centers have been allowed to become run-down (worn carpeting, in need of new paint, brighter lighting, etc.).

To modernize a center requires substantial capital investment, especially if synthetic lanes, redesign of restaurant/lounge areas, carpeting, etc. are involved. Because of this, many proprietors feel that in the future there will be less "mom and pop" centers. More will be owned by chains, with larger companies buying up small centers and modernizing them.

Improved physical appearance, if only cosmetic improvements to the exterior of the building in the form of new paint and signs, clean

restrooms and carpeting, etc. can only help attract business, and should be on the top of any proprietor's list.

GROWTH AREAS

Proprietors surveyed reported the following "segments" as growing or doing well for them.....

1) **Open (non-league) bowling**.....Increased activity, but competition now comes from Cable TV, shopping malls being open Sundays, etc.--things which were **not** a factor 10 years ago or more.

2) **Junior programs**.....some proprietors report a tripling in junior program membership, and good response to birthday party outings, high school and college competitions, and other junior activities. "Bumpers" placed in gutters are a popular item with most owners, and have caught on well with juniors.

3) **Senior citizen leagues**.....most proprietors report growth in the number of senior bowlers. Substantial discounts (up to 40%) are offered on games. In New York, a typical weekday game would cost \$1.75, but is cut to \$1.05-1.15 for seniors.

4) **Mixed leagues**.....Increased participation in 25-35 year old groups.

1987 PERFORMANCE & 1988 OUTLOOK

Proprietors' opinions were mixed. Some foresee a continued long-term decline in the sport, while others were optimistic and forecast 10-15% growth for 1988, as national promotions and advertising trickles down to the local level. Again, regional factors come heavily into the picture. On Long Island, NY, where 9 centers have closed over the past 7 years, the centers that remain open are generally busy. Those bowlers displaced by the closure of a center join leagues which are transferred to the new location.

The majority of proprietors reported that 1987 receipts ran about the same as 1986, marginal increases if any. Receipts grew an average of 2-3% for most proprietors. Those reporting higher gains (10% or more) probably attained that increase due to the shift of bowlers displaced from closed centers in the area--not "real" growth in activity.

The overwhelming majority of proprietors, as of December 1987, had no concrete plans for promotional tie-ins to the 1988 Summer Olympics, where bowling will be featured as an exhibition sport for the first time in 50 years. Most also were not sure what 1988 would bring, and wouldn't even attempt to forecast percentage gains in receipts. **Those who did venture an estimate felt that receipts would be better than 1987 increases, in the range of 6-7% growth.**

Their uncertainty is not surprising in view of the wide variance of opinion by economists and business in general. The effects of Wall Street's crash of October 1987 won't be totally known until six months later, it's an election year, there is the possibility of a recession (with uncertainties regarding employment & inflation)--many "wild cards" in the deck for 1988.

SPECIAL PROPRIETOR PROGRAMS/ACTIVITIES

* "No Frills" leagues, with no prize funds are a popular alternative in some centers. Instead, for a low price (\$4 per 3 game session), a trip is offered at the end of the league. This varies by region. For example, in New York, a trip to Atlantic City may be offered. The bus companies providing transportation "rebate" the rider with \$10 in free quarters, so it becomes a low-cost "prize" for the center to offer.

* Many centers report good success with the BPAA "Have A Ball" program, where juniors receive a free soda, pizza, and bowling ball at league's end.

* Some centers offer day camps for juniors, two or three mornings or afternoons per week.

* Jackpot bowling tournaments (cash prizes for getting a strike when a colored pin shows up in the rack), no-tap tournaments (9 count counts as a strike for men, 8 count or better for women), midnight bowling (lights out-only pit/pin area lighted) are all used.

* Some centers issue "Practicards" to their league bowlers, allowing them to bowl at discounted rates, or have discounted prices during off times (weekday mornings-as low as \$.95/game)

* In some parts of Florida, buses are sent out to pick up seniors bowling in morning leagues, with a return trip for afternoon leagues. This is truly "going out into the community" to get bowlers into the center.

MISCELLANEOUS ISSUES & IDEAS

- * There is a general trend toward league bowlers wanting more **money** leagues offering good prize funds. It is clear that they bowl not only for fun, but try to recoup some of their "investment" at the same time. But, this means that each night will ususally cost \$10-15, and contributes to bowler complaints about dropping out due to economics. How does one reconcile the two ?
- * There are very few completely full leagues--most have a good number of "blinds" that fill in for absent regular team members. This is probably reflective of people's busier personal schedules today.
- * Finding workers doesn't seem to be a major problem--finding **good** workers for the money is. Low-wage workers can earn \$5/hr. at fast food chains that compete with centers for workers.
- * Centers with personal computer systems that handle payroll, mailing lists, direct mail advertising are in the minority--most administrative tasks are not computerized at all.
- * Although bowlers don't seem to want to commit themselves to a full 9-month season, most proprietors see no move to shorten the typical 34-36 week league season. The number of bowlers retained because a shorter season might be more attractive would be outweighed by the loss of business. Split seasons are viewed as a better alternative.
- * To increase the number of spectators at tournaments, centers of the future should consider a "stadium" or "arena" concept, as in golf, baseball, etc. A very limited number of spectators now can actually see the action on a particular pair of lanes. Big screen TVs could be used to accomodate the others. Comfortable, padded seating is not available either. Increased spectators would eventually draw better tournament sponsors. (Obviously, this would require more space and land, and would be economically feasible only in geographic areas where land costs are low.)

SUMMARY

Performance and health of bowling centers remains largely dependent upon **regional** factors. Centers in metropolitan California, southern New York, New Jersey and Connecticut face the temptations of selling out and closing, due to some of the highest real estate prices in the nation, while

In the Midwest and South this is less of a factor. In the "rust belt"--the industrial cities of the Midwest, and depressed "oil patch" states such as Texas and Oklahoma, the local **economy** is much more important a factor. Obviously, it's tough to keep league bowlers when they are out of a job, even at low prices. Local price wars can erupt in depressed areas. For example, in some midwest centers, games have been cut to as low as 75 cents or \$1.00 for open bowling and \$1.30 for leagues.

In Florida, demographics is a key factor. Aside from being the fastest-growing state in the country, much of that growth is fueled by an influx of retiring seniors. Seniors constitute a natural market for potential bowlers. They have the time and money to bowl (and several times weekly), bowling is not a strenuous sport, it's fun and is a good way to socialize and get out of the house, and in sunbelt states it is an air conditioned escape from the heat. Many centers make it as easy as possible for seniors to bowl. If they are sick and can't make a session, they don't have to pay for that missed session. Each team has several extra alternates to fill in. Prices are substantially reduced for seniors also.

In the Midwest, some of the best times for open bowling business takes place during bad weather/snowstorms. If it's 50 degrees outside, people go outdoors and do other things. When it's very cold, they bowl.

Many proprietors do not make much use of **national** programs, and take advice from national industry /trade associations with a grain of salt. They prefer to tailor their approach to their local market, and use what works for them. In Texas, proprietors report that it is very important to approach customers on a one-to-one basis, and to work with local charities and service groups.

A majority of proprietors report a drop-off in **multiple** league bowlers and find it tough to fill up the second or late shift beginning at 8:30 or 9:00 PM. Nearly all owners expect that junior programs and senior bowlers will be the two major growth markets. Most aggressively push the channel bumpers and free instruction programs for juniors, as well as the Hav-A-Ball program, birthday parties, have nurseries, etc.

There is still a great deal of resistance to installing **synthetic lanes**, due to the high initial costs and long break-even period involved, bad experiences with too-slippery approaches, and bowler preference for traditional wood lanes. Another issue that must be faced is that bowlers like to score well, and many proprietors are forced to "block" lanes with

their oiling methods in order to guarantee a good scoring condition. Many proprietors resent the rejection of high score awards by the American Bowling Congress. It makes their customers unhappy. Proprietors point out that "Low average bowlers don't fill up the house." They view ABC actions as counter-productive to their business, and seem to be crying for the elimination of inconsistencies in scoring conditions. Most now employ the limited distance dressing (short oil) rule.

BOWLING CENTER PROPRIETOR RECOMMENDATIONS

MARKETING & PROMOTIONAL STRATEGIES **AND ACTIVITIES CHECKLIST**

RESEARCH THE NATURE & NEEDS OF YOUR CUSTOMERS - SEGMENT THEM BY SPECIFIC GROUP

Corporations have done this since the 1940s--why not a bowling center proprietor? Market segmentation is key to any consumer-oriented product or service today. If you do **not** use these techniques, you are missing out on fulfilling the needs and desires of your patrons. Seniors clearly have different reasons for bowling than juniors, men different than women, etc.

At the very least, a proprietor should segment his/her customers into the following groups.....

- 1) **Seniors** - Have more time to bowl, greater social needs, limited incomes, reduced mobility, worse health (greater absences).
- 2) **Juniors** - Need a smooth introduction to the sport, easily frustrated and less patient, greater need to be excited/motivated/entertained. Group can be further broken down into pre-schoolers vs. junior high and high school team bowlers, who are more competitive and peer-oriented.
- 3) **College Students** - Team vs open players. Team players need ample practice time at discounted rates. Open players frequently have substantial disposable income.
- 4) **Open Bowlers** - How does the weekday open bowler differ from the weekend bowler? Differences between Saturday/Sunday open bowler? What factors are they sensitive to? (learning how to keep score, finding a house ball that fits, sensitivity to price, entertainment factor-related food & drink purchases, video game play, etc.).
- 5) **Mixed Leagues** - Why do people join such a league? (Need to recognize social factors, couples vs, singles).
- 6) **High-Average "Classic" Leagues** - The better bowler-what does he/she value most (scoring conditions, prize money, trophies, recognition of achievements, tournaments, private lessons from a pro, discounts of equipment, improving his/her game).

7) **Business/Corporate/Industrial Leagues** - Their purpose-to foster team spirit and provide an environment for social interaction outside the office, fun, company patriotism.

8) **All-Male Leagues** - More competitive by nature, more overall sports-oriented, bigger liquor consumers, more apt to want larger prize funds and "pot" games.

9) **Non-Smokers** - Gaining more clout in recent years on local and national level, regarding new non-smoking regulations pertinent to public places. What are you doing to protect their rights and put them into the center? Are they turned off by the old image of a bowling center being dingy and smoke-filled? How can you change that opinion.

10) **Women's Leagues** - Are you catering to their child care needs by providing a nursery? What do they consider negatives about bowling centers, and how can you change them? Group can be subdivided into senior women and young housewives.

11) **Handicapped Persons** - Do you recognize their needs and accomodate them with extra instructional help? Do you work with local charities in the community, offer discounts, etc.?

12) **Singles** - Do you recognize their problems in finding new acquaintences, and provide a friendly, fun experience that gets them together? In some areas of the nation, special "singles nights" are held at supermarkets (Publix in the Southeast), where men and women are matched with numbers, by the same vegetable, etc. Why not develop a singles night of your own, held one Saturday night per month, possibly with DJ music, fun contests, etc. This could add a whole new group to your regular patrons, a night that singles look forward to attend, especially if yours is the **only** center in the area that hosts it.

BE AWARE OF DEMOGRAPHIC CHANGES IN YOUR CUSTOMERS - DON'T FIGHT NATIONAL POPULATION TRENDS

The U.S. population is aging. There will be more seniors, and virtually all proprietors feel that the seniors market will be one of the strongest-growing. Is your center located in a state or area with a high percentage of seniors? If so, are you penetrating the market as best you can? At what **time** do seniors prefer to bowl, and at what **price**? Do they have special transportation needs?

More women work now than ever before. Do you accomodate them by adjusting your league schedule ? (not as many will be available from 9-5)
Do you provide for their child care and security needs ?

America is more health-sensitive than ever. What do you do to convince consumers that bowling is fun, can be therapeutic, is not as strenuous as other forms of exercise, as is worthy of their time ?

Many regions of the nation are very affluent, populated by large numbers of two-income households and high-earning singles and "yuppies". How do you capture some of their leisure dollars and disposable income ? This could involve going after new employee groups such as: banks, stock brokerage houses, community business clubs (Kiwanis, Elks, lodges), doctors, accountants, lawyers, etc. by offering special tournaments or promotions tailored to them. Their image of the sport has to be changed. What can you do to entice golfers or tennis players to bowl in the "off-season" (in northern states) ?

IDENTIFY HOT CONSUMER TRENDS AND USE THEM IN YOUR BUSINESS

One example of a popular trend is the pervasive ownership and use of VCRs by consumers. Video can bring bowling instruction alive, and do more to analyze and improve a bowler's game than any other instructional method. Proprietors should utilize the videocassettes on the market today, for new and existing bowler lessons, whether it is free or paid instruction.

The National Bowling Council's "Learn-to-Bowl" program is one example. The package comes with four basic LTB lessons on a single VHS cassette (\$35). It is tailored for the new bowler. Other bowling videocassettes are available from Sybervision (about \$79)--a scientific analysis of several pro bowlers, their body motions and techniques--for the better bowlers. Tech-Ed Publishing Co. (P.O. Box 4, Deerfield, IL 60015, 312-945-3169) has **seven** bowling videocassettes, featuring pros Carmen Salvino, Jim Stefanich, Don Johnson, Earl Anthony, Wayne Webb, Lisa Wagner, and Nelson Burton Jr. They range in price from \$24.95-49.95, and up to 60 min. running time.

Proprietors could buy and keep these videos, using them in lessons offered patrons. They could create a bowling "video library", and rent tapes out to their regular league bowlers for \$2, just like local video stores. Some kind of deposit (\$25 ?) might be requested for insurance, or a credit card imprint. These professionally prepared videos could be combined with PBA/ESPN televised tournaments taped by the proprietor, which can **also**

be rented. Maybe a bowler was out of town that weekend, and wants to see the finals of that week's tournament. Now, he/she can view it **when** they want, on their own VCR at home--with you, the proprietor providing the service for them at a reasonable cost !

UTILIZE YOUR REGIONAL CLIMATE, LOCATION AND CULTURE TO YOUR ADVANTAGE

If your center is located in Florida or other areas of the Southeast or Southwest, you may have a built-in reason for attracting people to the center--to escape the oppressive heat by bowling in air conditioned comfort. In the Northeast and Midwest, the winter is the big bowling season. Promote bowling as a way to get out of the house once or twice a week, rather than hibernating until nicer spring/summer weather comes along.

Also, regions offer exceptional opportunities for **cultural** tie-ins. In Texas, Arizona, New Mexico, southern California, centers can host ethnic foods parties accompanying the bowling (i.e. chili, tacos, and other Mexican food served after bowling, for a "package" price), Italian food parties in Boston or Rhode Island, deli food/sandwiches in New York, German "Octoberfest" parties, Irish food (corned beef & cabbage), etc. Food doesn't have to be prepared in the center--each person in the bowling group can bring one dish or specialty.

Instead of end-of-league **money** prizes for winning teams, proprietors might consider arranging mini-vacation **trips** to nearby resort cities or attractions. For example, centers in California might offer trips to Reno, Lake Tahoe, or Las Vegas. Those in New York, New Jersey, Connecticut and Pennsylvania could offer one to Atlantic City. Those in the Northeast and Colorado could offer ski trips to popular Vermont, New Hampshire, and Colorado ski resorts.

REACH OUT TO YOUR COMMUNITY

Do you communicate with such groups as: charities, YMCA, YWCA, American Legion posts, veterans groups, police boys' clubs, parent-teacher associations, lodges, ladies auxiliaries, merchants' associations, big brother/big sister organizations, church groups, etc. ? Many of these are probably looking for new ideas for member outings.

DON'T OVERLOOK THE DETAILS

It probably goes without saying, but if you cannot afford a full-scale modernization, make sure you've done everything you can to make the most

of your center's appearance and attractiveness, such as the following checkpoints.....

- * Clean and freshly-painted building exterior, free of graffiti
- * Secure, well-lit parking lots--hire a PT security guard to patrol the parking lot if the center is located in a bad area
- * Brightly lit interior
- * Clean carpeting, clean, bright walls
- * Clean restrooms, all facilities in working order and checked regularly
- * Video games, vending machines, ball cleaning machines all in working order
- * Clean, modern, well-stocked snack bar
- * Friendly and competent lounge, waitress, and snack bar staff
- * Pay phones in working order
- * Adherence to new non-smoking rules (In Nassau County, L.I., NY, smoking not permitted in settee area at the lane, only in seating areas behind them)
- * Machine break-downs kept to minimum possible--diligent machine maintenance
- * Proper cleaning/replacement of worn pins
- * Phones located at lanes, to call control desk for pin re-sets, ball returns, and machine breakdowns--to cut down delays
- * Offer to make restitution for balls damaged by your machines
- * House balls clearly marked or color-coded by weight
- * Ample coat racks
- * Strict enforcement of prompt starting times, penalties for chronically late or slow bowlers (pro golfers are fined for slow play in tournaments)
- * Installation of smoke filters (as used in restaurants)
- * Air conditioning/heating system in good working order
- * Have management present at all pre-season league meetings, to ensure that meetings are positive, rules are fair, to introduce new bowlers to policies/procedures. Call everyone in advance, to get a good turnout, reward attendees with refreshments or a free game, etc.
- * Re-design your bar/lounge area if possible, to generate more traffic and to "sell the social experience". A free-standing bar is preferable. Research other bars in your area (in bowling centers and **other** places as well) by visiting them to size up what customers look for--know your market and fill the void ("High tech in a cowboy town doesn't work....." - see article in August 1987 issue of Bowling Proprietor magazine, p. 32). Tall bar-stool style seating is better than low tables and chairs (facilitates better eye contact between patrons, makes casual conversation easier). Provide drink rails for the men (men stand--the "macho" image). Place video games near the entrance, but out of the way. Use video/TVs to the fullest, and don't

crowd the area with too many tables. "People will pay \$2.50 for a drink in a room with action, but they won't go next door and pay \$1.50 in a room with no action." Try holding "ladies nights", with half-price drinks (like bars offer). More ladies draw in more men-more total customers for the proprietor. All these details contribute to the action, not alcohol, that brings most people in.

PLAN YOUR CALENDAR YEAR

A bowling proprietor should create a continuous air of excitement by recognizing **every** major holiday and building some special promotion around it. The following is a suggested planning calendar, with some pertinent promotional ideas.....

Feb. 14 - Valentine's Day.....Offer discounts for bowling couples, have a raffle for a gift of a dozen roses or box of premium chocolates (gift certificate to local florist, candy shop)--based on raffle forms filled out by bowling couples.

March 17 - St. Patrick's Day.....Offer discounted games for bowlers with Irish names, beginning with "Mc" (McDonald, etc.), "O" (O'Grady, etc.), Donohue, etc. Coordinate a corned beef/cabbage dinner before/after a league, buffet style. Offer discounted games to anyone wearing green.

April 3-4 - Easter.....Promote Easter egg hunts/parties for children, with prize to winners: a bowling ball, free number of games, etc.

May 5 - Cinco de Mayo (Southwest holiday)

May 8 - Mother's Day.....Discounts for all mothers (ask to show photo of their son or daughter as proof). Offer bouquet of flowers to mother-league bowler with high series for the day/night.

May 30 - Memorial Day.....Offer some specials for war vets

June 19 - Father's Day.....Offer discounted games for all fathers (same as mother's day above-show photo). Discounted drinks at bar. Offer free ticket(s) to local pro football, baseball, basketball games, or gift certificate at Sears, K-Mart, etc. for high series of the night.

July 1 - Canada Day (for border states: WA, MT, ND, MN, ME, NY, VT, NH)

July 4 - Independence Day

Sept. 7 - Labor Day.....Offer discounted games for people with a union card.

Oct. 12 - Columbus Day.....Offer half-price games to all Italian-Americans (judge by name on drivers license, other ID)

Oct. 31 - Halloween.....Offer half-price games to all who enter center in costume. Hold children's Halloween parties. Decorate center with Halloween trimmings.

Nov. 11 - Veterans Day.....Discounted games, drinks to all war vets (proof--military ID card, dog tags, other papers ?)

Nov. 25 - Thanksgiving.....Offer free turkeys to bowlers with high series for the night--week before Thanksgiving for time to prepare meal. Proprietors can choose how many leagues to offer it to (only night leagues, all leagues ?). Offer certificate for free Thanksgiving meal for two at local restaurant. Offer free drink for every bowler shooting a "turkey" (3 consecutive strikes) on the night before Thanksgiving.

Dec. 16 - Hanukah.....Offer discounted games for the eight days of Hanukah, for all bowlers of the Jewish faith (restricted to day bowling, since religious observers do not go out after sundown during this holiday).

Dec. 25 - Christmas.....Decorate center with Christmas tree, other trimmings. Mix green and red pins in with others during some leagues the day or two prior to Christmas--if bowler strikes while colored pin is in rack, gets prize, free drink, etc. Offer one free drink for each bowler in league bowling night before Christmas. Raffle for \$100 gift certificate redeemable at center's pro shop or other shop in the area, or at K-Mart, Sears, Macys, other major store.

Promotions/special events need not be held on the **exact** day of the holiday--after all, proprietors need a day off too. But they can be scheduled a few days prior to the day, or the week before. Other events that could be included in this planning calendar include: Secretary's Week, National Bowling Week (Jan. 4-11), and Mardi Gras season (Louisiana).

Some of the above ideas may sound "corny", but they are provided merely to spur creative thinking by proprietors. Owners need not hold special promotions for **all** holidays, but the more the better. The intent is, by investing **small** amounts of promotional monies **at the right time**, proprietors can go a long way toward making their center a fun place to

bowl, to do something to distinguish their center from others in the area, and create an environment of excitement throughout the **whole** year, at the same time returning something to their customers to make them **want** to come back next week, next month, and next year.

USE ALL POSSIBLE ADVERTISING VEHICLES

Following are but some of the advertising/promotional tools available to bowling proprietors.....

* National marketing programs sponsored and created by the National Bowling Council, national tournaments by large companies (Miller Lite tourney, etc.)

* Tie-ins to free publicity opportunities offered by nationally-televised 1988 Summer Olympics, Saturday afternoon telecasts by ABC--the Pro Bowler's Tour, Wednesday night telecasts of men's and women's pro tournament finals by ESPN/cable TV, local TV competitions for amateurs.

Following is the 1988 schedule for the 16 weeks of PBA Channel 7 (ABC) broadcasts, Saturday afternoons.....

Starting January 2, 1988 (7 consecutive weeks)

2 week break: February 15-27th. (for winter olympics)

Resumes March 5 through April 30th

Spring Tour: May 21, 28, June 4th

ESPN (cable) will televise 12 tournaments in 1988, Wednesday nights at 9 PM Eastern Standard time, through June, July and August. The women's (Ladies Professional Bowler's Tour) Fall **1987** schedule was as follows.....

October 10	12:30 PM	Hammer Eastern Open
October 17	"	AMF Virginia Classic
October 24	"	Brunswick Classic
November 1	"	Hammer Midwest Open
November 7	"	Fair Lanes Denver Classic
November 14	"	Sam's Town National Pro/AM

Information about the LPBT can be obtained by writing the LPBT, 7171 Cherryvale Blvd., Rockford, IL 61112 (815-332-5756).

NBC will televise 5-6 tournaments, Saturday afternoons, for the Fall Tour.

Therefore, there will be 33-34 televised tournaments during the year. This represents 33 "free publicity" opportunities for proprietors to "pitch" bowling, by giving patrons the chance to learn from the finest bowlers in the world, follow their favorites, etc. A PBA Tour tournament results tote board should be displayed, adding each week's winner throughout the season. If possible, a large-screen TV could be installed in the lounge area, tuned to the telecasts during tournaments. The ESPN/PBA schedule does **not** interfere with Monday night or Sunday afternoon football or baseball games. Proprietors can also tape every session of Nelson Burton's "Tips of the Week" on ABC on their own VCR, using them as part of an instructional videotape used to train new or existing bowlers in the center.

- * Co-op advertising programs held with **national** fast-food chains like McDonalds, Kentucky Fried Chicken, Roy Rogers, Pizza Hut, Burger King, Wendy's, Howard Johnsons, Bob's Big Boy, others. Proprietors will have to approach local outlets and management to work out mutually beneficial programs.

- * Advertisements by **local** merchants (delis, insurance agencies, gas stations, clothing, furniture, drug stores, etc.), on the center's league sheets.

- * Listings in the Yellow Pages

- * Ads placed in local "Pennysavers", restaurant/entertainment guides, etc, distributed free to consumers.

- * Direct mail flyers sent to a mailing list of the center's regular league bowlers. Promotions can be selectively targeted by men's, women's, juniors, seniors, other groups.

- * Practice sessions at certain "off-peak" times (weekend mornings, after 12 PM, etc.) offered at discounted prices. Rent-a-lane or pair of lanes for 2 hrs--one price for unlimited number of games bowled within that time. Issue practice "ID cards" for all regular league bowlers, to encourage more practice bowling.

- * Tie-in promotions with local pro shops, offering discounts on equipment after certain number of games bowled in the year, etc. Individual programs worked out between center owner and pro shop.

* Tie-ins to other sports.....Could take the form of bowling related to football and/or baseball scores/performance by local pro teams. For example, the center could offer a free game of bowling to Chicago Cubs baseball fans that keep track of the number of strikeouts recorded in a game. A free game is offered when the tally reaches 12, for example--the number it takes for a perfect game in bowling (see August 1987 issue of Bowling Proprietor magazine, p. 67). Similar promotions could be developed for golf, tennis, and football.

* **Free instruction clinics** can be held, to introduce new bowlers to the sport, hopefully converting them to regular league bowlers later on. For better bowlers, they could be videotaped (\$20 ?), for one or two games of bowling, plus critiques/advice from the instructor. If a pro shop is located in the center, the manager of the shop could handle lessons, or, a high-average, knowledgeable employee (mechanic, pin chaser) could do it. Lesson appointments would be pre-set, giving the center ample time to rent a camcorder and schedule the instructor's time.

* Always have on hand, at the front desk and in plain view, a "How To Keep Score" sheet handout, for those open bowlers who don't know how.

BE A RELENTLESS MARKETER - GO AFTER NEW BOWLERS & GET CONVERTS FROM OTHER SPORTS

Go after the sports enthusiasts in other areas. Entice them to try bowling and get them into your center by making them feel special. These could be hunters/fishermen, golfers, tennis players, health spa members, football, baseball, basketball fans. If they show you their: hunting/fishing license, tennis or spa membership card, football season pass, country club membership card, etc., offer them discounted rates. Offer them a reason to try bowling (as a break from the routine of their regular, first-choice sport or hobby--after all, many pro athletes play other sports occasionally to "refresh" themselves.....some pro golfers fish or race cars, many hockey and baseball players play golf in the off-season. Why not position bowling in the same light ?)

BORROW IDEAS FROM CORPORATE AMERICA

Corporations often tap their most valuable resource--their employees--for new ideas and suggestion about how to improve the efficiency of the company, develop new products and services, offer bonuses for helping to fill vacant jobs by finding qualified friends or acquaintances, etc. Why shouldn't a bowling proprietor do the same ? A few possible ideas might include the following.....

* Install a "suggestion box" in the center and encourage your league and open bowlers to give you **serious** feedback about their complaints, ideas for improving league play or conditions, and other services. You might be surprised at the creative feedback you get, and will show that you **do** care about their concerns.

* Offer **new** employees a bonus if they stay on the job for a full year, for jobs with a high turnover rate. It's expensive and time-consuming for you and your staff to constantly train new people.

* Offer your **existing** employees a bonus if they refer you to a qualified friend who is ultimately hired for a job you are trying to fill.

* Give employees "perks" (low cost to you) that enhance the overall value of working for your center (i.e. free or discounted bowling, meals at snack bar while working, etc.)

* Offer a year-end bonus for perfect work attendance, or the best attendance of all workers in the center (could be cash, concert tickets, restaurant meal, \$50 worth of lottery tickets, gift certificate, paid day off, etc.)

RECOGNIZE & REWARD YOUR PATRONS' ACHIEVEMENTS

Everyone likes to be recognized for his/her achievements, including bowlers. Everyone also likes to see their name in print, or displayed on a public honor roll. Every center should have an honor roll or tote board that is continually updated. Maintain lists of high games, series, and averages, for men and women. Set the limit to allow enough space for a season's worth of games--250 games for men, 225 for women, 700 series, etc.

Create a 250 Club, 700 series club, 190 average club. Give out a free, small trophy or plaque for that high game or series rolled by the league bowler, in addition to any the person may get at league's end. Have a "Hall of Fame" with plaques displayed for 300 games (person's name, date, score). Offer a cash prize for a sanctioned 300 game. Every time someone rolls a 700 series, put a certain cash contribution into a "pot", which builds until the season's end. Then invite all who rolled those 700s to an end-of-year one-game or 3-game series "roll-off"--high scratch score takes all!

Award diplomas for bowlers completing an instruction course at the center, or for their first 200 game, 500 series, 600 series, etc. These certificates are available from the BPAA or local pro shops, or bowling supply companies.

Post announcements or flyers congratulating any of your league bowlers that have won a local, regional, or out-of-state tournament, or rolled an exceptional game or series at **another** center. Emphasize it **especially** if he/she rolled it with a ball purchased, drilled and fitted by **your center's** pro shop.

ENTER THE COMPUTER AGE

So many small businesses today, even sole proprietorships, are taking advantage of declining prices and increased performance capabilities of small computer systems. Why should the bowling center be the exception? For a \$2-3,000 investment, the long-term benefits can be substantial. Several companies now offer software packages specifically designed for bowling proprietors (Applied Computer Systems, Computer Sports Systems, others). These packages can perform the following tasks.....revenue & shift reports, cash control, lane usage, record keeping for leagues, mailing lists/labels, payroll, general ledger, financial reports, accounts payable, inventory, tournaments, word processing/creation of special direct mail letters, announcements and flyers, and more.

BOWLING CENTER PROPRIETOR DEMOGRAPHICS **RESULTS OF 1986 BPAA MEMBER OPERATIONS SURVEY**

SUMMARY

The Bowling Proprietor's Association of America compiled data in 1986 from 606 surveys returned to its national headquarters, representing 47 states. A total of 40 questions were asked of the membership, covering a wide variety of profit, ownership, and operational issues. Following are the survey's findings. Many areas have been updated or corroborated via Marketdata's 1987 phone survey and Census Bureau information. Based on our research, we do disagree with some of the findings, explained in the Industry Overview.

MAJOR INDUSTRY CONCERNS

In the 1986 survey, the nine reasons listed for bowler drop-out included:

- 1) economics
- 2) bowler cut back on leagues
- 3) bowler lost interest
- 4) work schedule conflicts
- 5) bowler moved or relocated
- 6) league season was too long
- 7) bowler switched league
- 8) bowler switched to another center
- 9) health reasons

PROFILE OF THE TYPICAL CENTER OWNER

- * 28% of centers were found to be owned by individual proprietors, 11% were partnerships and 61% were corporations.
- * The average age of a proprietor is 46.
- * 95% of proprietors are male.
- * The principal operational administrator is still the owner, in 69% of responding centers, while 31% are operated by salaried employees.
- * Over 76% of owners have some college training or a degree.
- * For corporate-owned centers, there are an average of 5.14 stockholders in the corporation.

- * For proprietors that own more than one center, the average is 2.83 centers owned.
- * Proprietors have owned their center an average of 13.5 years.
- * 78% of proprietors own the building and 21% lease the space, with the average lease running 15.6 years.

OPERATIONAL FACTS

- * For national tournament participation, 72% participated in the Miller Lite National Doubles Tourney, 22% took part in the Avco National Family Bowling Tournament, 29% took part in the Seagram's Cooler U.S. Open (men's), and 21% in the women's division of the Seagram's Cooler tourney.
- * The average distance to the nearest center was listed at 9.5 miles.
- * In 1985, the average lineage per lane was 10,967, an increase from 10,215 games in 1982.
- * Cost per game averaged \$1.00.
- * League play is perhaps the single most important factor to a center's success. The average length of regular season play is 32 weeks, with summer leagues averaging 12 weeks.
- * The range of first shift league starting times is from 4:30-8 PM, and the average is 6:30. If a second shift is held, the average starting time is 9 PM.

SNACK BAR & LOUNGE BUSINESS

- * 81% of responding centers maintain bars, with 98% of them accessible by the public.
- * 97% of the bars are self-operated and 3% are leased. 91% of the centers serving liquor do allow alcoholic beverages "on the lanes" while patrons bowl. 81% serve all types of alcoholic beverages at their bars.
- * 78% of proprietors have short-order snack bars in their centers, and 88% of centers operate their own snack bars.
- * Pro shops are operated in 74% of responding centers, with 81% of these shops operated by bowling center management.

- * 72% of responding centers were said to have automatic scorers.
- * Proprietors listed the telephone, newspaper/magazine, and direct sales calls as the most effective methods of advertising their centers' programs. Direct mail, radio, and TV advertising were used much less frequently.

BOWLING CENTERS - ECONOMIC STRUCTURE AND OPERATING STATISTICS OF THE INDUSTRY

FORECASTS & GROWTH OF RECEIPTS

Marketdata estimates that total receipts by all bowling centers nationwide rose about 2% to \$2.666 billion during 1987. This estimate is based on historical data reported by the U.S. Census Bureau (Service Annual Surveys), and Marketdata's December 1987 telephone survey of center proprietors. The Census Bureau reported total receipts of \$2.614 billion in 1986, a 1.7% decline from the prior year. **For 1988, Marketdata expects receipts to improve slightly, a 5% gain to \$2.799 billion.**

For the long term, we forecast receipts to grow at a 1.6% average annual rate, reaching \$3.112 billion by 1995. This takes into account our projections of economic recessions in 1989 and 1994, in line with general business cycles. It is likely that bowling center receipts would stay virtually the same or decline 2-5% in such years.

Over the 1977-1982 period, during which two major Census surveys were taken of service sector businesses like bowling centers, receipts for this industry rose nationally at an average of 35.2%. However, many states' centers grew much faster. Florida's centers topped the list, with an 82.8% 5-year increase in receipts (16.6% yearly). Georgia followed closely at 81.9%, Colorado centers were next at 74.4%, Oklahoma at 62%, etc. In all, 15 states had bowling centers that bested this 35.2% average national increase.

On the other hand, there were another 15 states whose centers did worse than the national average. In West Virginia, receipts grew the slowest, only 6.4% over the five years. New Jersey also fared poorly at 17.6%, followed by California with 19.2%, Pennsylvania at 19.3%, and Kentucky at 19.4%. Michigan and New York, big bowling states, had increases of 24.8% (less than 5% per year) and 28.2% (5.6% per year), respectively. Information was not available for all states.

MARKET SHARE

The Census Bureau did calculate some share of market information for bowling centers, for 1977 and 1982. The top 50 firms were tracked. Very little changed over this 5-year period, in terms of share of centers' receipts by the top firms. As of 1982, the 4 largest firms (not centers) captured 9.1% of total receipts, the top 8 - 11.4%, the top 20 - 14.6%, and the top 50 - 18.8% -not heavily concentrated. These shares are cumulative.

The top 4 firms in the industry accounted for 4.5% of the number of bowling centers in the U.S. In 1982, the top 8 - 5.6%, the top 20 - 6.5%, and the top 50 - 8.3%. These top 50 firms also employed 17,621 of the industry's 108,909 employees in 1982. As a rule, the larger the firm, the lower their payroll costs relative to receipts, 24.1% for the 4 largest companies versus 26.3% for the 50 largest.

LEGAL FORM OF ORGANIZATION

About 72% of all centers in 1982 were owned by corporations. 19% were individual proprietorships, and 8.8% were classified as partnerships. Corporate-owned centers captured nearly 83% of total receipts, with proprietorships capturing 8.5%. Corporate-owned centers also represented 83.5% of total industry employment. **This is a major change from five years earlier.** In 1977, only 26.5% of the centers were owned by corporations, with 11.6% classified as individual proprietorships and 61.7% as partnerships. Partnerships then captured 80% of total receipts and employed 82% of the workforce.

This trend toward greater corporate ownership has most likely increased since 1982, and will increase in the future. Small centers may find it increasingly difficult to adapt and survive without the professional expertise and funding of a corporate parent that can invest in modernizations and marketing programs.

GEOGRAPHIC TRENDS - NUMBER OF CENTERS, BY STATE

Two sets of statistics exist regarding the actual number of bowling centers across the United States. The more up-to-date source is the American Bowling Congress, which provides data for the 1986-87 season. The other source is the Department of Commerce's publication: County Business Patterns (individual state books), for 1985.

The ABC reports that there were **8,031 centers in the U.S.** in 1986. The Commerce Dept. reports a total of 6,283 for 1985. Since it isn't likely that the number of centers increased by 1,748 in one year, we must assume that it is due to a difference in survey methods used. However, Marketdata will use the larger ABC figure as the more accurate number, since these are real, certified centers that we know do exist.

These 8,031 centers contained a total of **151,312 lanes** in 1986. New York had the most centers of any state with 648, followed by Pennsylvania with 588, Wisconsin with 549, Ohio with 539, Illinois with 526, and

Michigan with 525. As one can readily see, the Industrial Northeast and Midwest are big bowling regions. California also ranked high on the list with 420 centers, and Texas with 281. Many other Midwest states rank in the top 20.

Rhode Island's centers had nearly double the national average of lanes per center, at 35.3 lanes in 1986. The national average was 18.8 lanes, according to recalculation of ABC statistics. Perhaps the reason is that Rhode Island is a very small state with only 12 centers. Land is at a premium, so more lanes are packed into the centers that are located there. Connecticut, another small state with 54 centers, averaged 33.8 lanes per center, and Delaware had 30 lanes per center.

The big bowling states such as New York had an average of 20 lanes, Michigan had 21.3, California had 26.6, and Ohio had 20.8 lanes. Many centers in the Midwest are small. Nine of ten states having centers with the lowest average number of lanes are located in the Midwest. North and South Dakota centers were smallest, on average, with 9.2 and 9.6 lanes respectively, in 1986.

By region, the 1985 data from the Commerce Dept. is nevertheless useful. The Northeast accounted for 20.9% of all centers, the North Central region accounted for another 44%, the South Atlantic - 9%, the South Central - 9.8%, and the West - 16.3%. (Refer to tables in this section for description of which states are in which Census regions)

The typical bowling center employed 14.8 people in 1985, according to the Commerce Dept. (It's tough to hire that 0.8 person.) Many states' centers did not report **exact** employment figures. In these cases, a **range** (i.e. 250-500 employees) is used. Several region's centers differ substantially from this national average. For example, bowling centers located in the "West North Central" region (MN, IA, MO, SD, NE, KS) averaged 11.4 persons. New England's centers averaged 12.2 workers. But, centers in the "South Atlantic" (DE, MD, VA, NC, SC, GA, FL, PR) averaged 20.4 workers, and those in the "West South Central" area (AR, LA, OK, TX) averaged 18.3 people.

Information was not available for **all** cities or "standard metropolitan statistical areas" (SMSAs), but for data which was available, **Chicago** had the most centers with 253 (and receipts totalling \$112.8 million) in 1982. **Los Angeles** had 113 centers with receipts of \$74 million. **San Francisco** had 86 centers with \$56 million in receipts, **Washington, DC** had 51 with receipts of \$26 million, and **Dallas-Ft. Worth** had 35 centers and receipts of \$26 million.

The typical U.S. bowling center had receipts of \$337,000 as of 1982, according to the Census Bureau. Based on centers' growth in receipts through 1986, Marketdata estimates that in 1987 the average center had receipts totalling \$350,000.

Some states' centers had much higher receipts than this U.S. figure. For instance, these 10 states beat the U.S. average by at least \$88,000 per year.....

Centers located in.....	California	\$604,300
	Delaware	526,100
	Alaska	514,400
	Florida	486,400
	Arizona	466,000
	Washington	463,800
	Hawaii	448,300
	Louisiana	432,300
	Michigan	426,300
	Maryland	425,100

PERFORMANCE BY RECEIPTS SIZE OF THE CENTER

More than 94% of the industry's total receipts were accounted for by centers open the **entire** year in 1982, versus 5.6% for those not open the whole year. About 52% of total receipts were garnered by facilities with sales of \$500,000 or more, while 25% of receipts were collected by centers of the \$250-500,000 sales size. Overall, payroll costs amounted to 28.8 cents of each sales dollar. The largest facilities had lower payroll costs, of 27.1%, while the smallest centers (receipts under \$10,000) had costs as high as 33%.

In 1982, 50% of total industry receipts were accounted for by centers in the \$500,000 - 1 million sales size, another 24.8% by those with sales of \$250-500,000.

PERFORMANCE BY RECEIPTS SIZE OF COMPANIES (FIRMS)

In 1982, of 5,766 total firms in the industry, there were eight having sales over \$10 million, another ten with sales of \$5-10 million, and 236 with sales of \$1-5 million. Another 808 had sales of \$500,000 - 1 million. The largest companies (\$10 million or more) captured 11.8% of receipts. Those with \$500,000 - 1 million in sales captured 25.4%, those with \$250-500,000 in sales collected 20.6% of the total, and those firms with \$100-250,000 in sales captured 13.3% of annual receipts.

STATISTICS BY EMPLOYMENT SIZE OF FIRMS

In 1982, 1398 (24%) of the 5766 total firms in the business employed less than five people. The breakdown was fairly evenly spread out amongst the next three classes: 1141 companies employing 5-9 people, 1317 employing 10-19, and 1319 employing 20-49 workers. Only 64 companies employed more than 100 people.

STATISTICS BY SINGLE VS. MULTI-UNIT COMPANIES

Nearly 95% of all companies in 1982 were single unit firms, compared to 98% in 1977. As more centers become part of corporate chain operations (such as Fair Lanes, Leisure Time, Bowling Corp. of America, American Bowling Corp.), this percentage will drop substantially. It is probably in the range of 85%, perhaps less, for 1987. In 1982, there were 13 firms owning and operating 10 or more "units" or centers, and 148 companies operating 2-9 facilities. Single unit firms generated 71% of total receipts, compared with 26% collected by multi unit firms. Single unit firms had higher payroll costs, 29.2% of receipts compared to multi units' 27.8%.

LABOR PRODUCTIVITY FOR BOWLING CENTERS

The average number of workers employed at a bowling center in 1982 was 14.8. However, there were 24 states where centers had employment rolls higher than this figure. How productive were these employees? Did growth in the center's receipts outpace the payroll costs associated with these workers? If not, it could mean that employee costs are getting out of hand, and their productivity should be monitored closely. There may be a good reason **why** a center pays its workers more than average (such as a tight local labor market). But, this should be weighed against the benefits.

Marketdata has identified four states where the bowling center's growth in receipts did not outpace payroll increases during the period 1977-1982. These include: **Maryland, Kentucky, Wisconsin, and New Jersey.** Proprietors in these states should be aware of this trend, and attempt to update this 1982 data to their current situation over the past five years.

Conversely, there were 20 states where bowling centers' employment rolls were **leaner** than the 14.8-person U.S. average, as low as 5.6 people per center in Maine, 8.8 in Arkansas, 9.2 in South Dakota, etc. Of the 20 there

were 7 states where centers' growth of receipts did **not** outpace payroll costs: **Arkansas, South Dakota, Kansas, Iowa, Idaho, North Carolina, and Tennessee.** This trend is not as significant a factor for centers in these states, since they carry lower workforces, but it should still be looked into as part of an overall efficiency analysis of center operating costs.

Overall, nationwide bowling center receipts rose 35.2% between 1977 and 1982, while payroll costs rose 34.1%. Thus, receipts did outpace worker payroll costs slightly. The one region where payroll costs rose **faster** than receipts (a bad sign) most often was the "West North Central" states (MN, IA, MO, SD, KS).

FINANCIAL PERFORMANCE OF BOWLING CENTERS

Robert Morris Associates tracks the financial performance of a wide variety of industries each year, via their "Financial Statement Studies". Bowling centers are covered, and a six-year analysis appears at the end of this section. Composite group balance sheets, income statements, and key ratios are provided.

Since 1981, the trend has been clearly in the direction of higher operating expenses. They represented 94.1% of each sales dollar in 1986, compared to 89.3% back in 1981. Operating profit over the same time frame slid from 10.7% to 5.9%. Most graphically, "profit before taxes" has fallen from a level of 5.5% in 1981 to 1.7% by 1986. A substantial drop in profitability took place in 1985. 1986 represented a slight rebound. No doubt, higher liability insurance premiums had a major effect on total operating costs and profitability.

Long-term debt runs about 42-44% of total liabilities, reaching a high of 46.7% during 1984. Not surprisingly, "net fixed assets" represented 74% of total assets in 1986. Bowling centers are highly capital-intensive, when considering the building, lanes, balls, lockers, pinspotters, furniture, restaurant/lounge equipment, etc. Cash assets were at the lowest level, 5.9%, in six years during 1986.

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
ESTIMATED ANNUAL RECEIPTS AND YEARLY PERCENT CHANGES FOR
BOWLING ALLEYS & BILLIARD AND POOL ESTABLISHMENTS

	<u>RECEIPTS</u> (\$ Millions)	<u>PERCENT</u> <u>CHANGE</u>	<u>PER CAPITA</u> <u>RECEIPTS</u> (Based on civilian population)
1983	\$2,568		\$11.00
1984	2,610	1.6	11.00
1985	2,660	1.9	11.00
1986	2,614	-1.7	11.00
1987 Estimate	2,666	2.0	---
1988 Estimate	2,799	5.0	---
1995 Forecast	3,112	1.6*	---

* Average annual rate of growth, assumes economic recessions
taking place in 1989 and 1994

NOTE: Bowling centers, billiard & pool establishments data is combined.
However, Census Bureau analysts have confirmed that 95% of the combined receipts
for sic codes 7932 (billiards) and 7933 (bowling centers) applies to bowling
centers.

**SOURCE: U.S. Census Bureau, Current Business Reports,
Service Annual Surveys**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

THE STATES WHOSE BOWLING CENTERS HAD THE
FASTEST/SLOWEST GROWTH IN RECEIPTS FOR 1977-1982

STATE	PERCENT CHANGE IN RECEIPTS (1977-82)
	(Census Bureau Data)
<u>U.S. AVERAGE</u>	35.2%
<u>THE FASTEST-GROWING</u>	
FLORIDA	82.8
GEORGIA	81.9
COLORADO	74.4
OKLAHOMA	62.0
ALABAMA	59.2
ALASKA	56.5
SOUTH DAKOTA	56.3
TEXAS	53.0
MINNESOTA	52.3
CONNECTICUT	49.8
ARIZONA	49.4
VERMONT	48.6
WASHINGTON	47.5
DELAWARE	46.0
SOUTH CAROLINA	48.3
<u>THE SLOWEST-GROWING</u>	
WEST VIRGINIA	6.4
NEW JERSEY	17.6
CALIFORNIA	19.2
PENNSYLVANIA	19.3
KENTUCKY	19.4
MARYLAND	21.6
OHIO	23.9
MICHIGAN	24.8
NORTH CAROLINA	26.3
IDAHO	27.4
NEW YORK	28.2
MASSACHUSETTS	28.8
MISSOURI	29.7
IOWA	31.3
INDIANA	32.8

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
INDUSTRY CONCENTRATION (MARKET SHARE) BY THE 50 LARGEST FIRMS
(1982 & 1977)

1982

	NO. OF CENTERS	RECEIPTS (\$ Mill.)	RECEIPTS AS % TOTAL	PAYROLL AS % RECEIPTS	NO. OF EMPLOYEES
Figures Below Are Cumulative					
ALL FIRMS	7379	\$2,264.0	100	28.6	108,909
4 Largest	335	206.6	9.1	24.1	8747
8 Largest	414	258.5	11.4	24.9	11,073
20 Largest	482	330.9	14.6	25.4	13,705
50 Largest	614	424.7	18.8	26.3	17,621

1977

ALL FIRMS	7716	\$1,646.6	100	NA	102,961
4 Largest	349	150.2	9.1	23.8	8708
8 Largest	434	188	11.4	24.2	10,900
20 Largest	519	245	14.9	24.8	14,152
50 Largest	614	309.9	18.8	26.2	17,822

NA - Data not available

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
BOWLING CENTERS, BY LEGAL FORM OF ORGANIZATION (1982 & 1977)

	TOTAL NO. OF CENTERS	1982		NO. OF EMPLOYEES
		RECEIPTS (\$ Mill.)	PAYROLL AS % RECEIPTS	
ALL TYPES	6483	\$2, 184.0	28.8	105, 406
Corporations	4665	1, 808.5	29.9	87, 973
Individual Prop.	1226	186.2	21.9	8952
Partnerships	570	NA	NA	NA
Other	22	NA	NA	NA
1977				
ALL TYPES	7716	\$1, 646.6	\$29.0	102, 961
Corporations	2048	179.2	20.7	9, 702
Individual Prop.	894	NA	NA	NA
Partnerships	4762	1, 319.7	30.5	84, 574
Other	12	NA	NA	NA

NA - Data not available

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

NUMBER OF ABC-CERTIFIED CENTERS: 1986-87 SEASON RANKED BY STATE, ESTABLISHMENTS & LANES

STATE	ESTABLISH- MENTS	LANES	STATE	ESTABLISH- MENTS	LANES
U.S. TOTAL:					
	8, 031	151, 312			
New York	648	12, 989	Tennessee	80	1, 748
Pennsylvania	588	8, 592	Georgia	78	1, 880
Wisconsin	549	6, 638	Arizona	78	1, 762
Ohio	539	11, 191	Idaho	72	933
Illinois	526	9, 391	Louisiana	62	1, 526
Michigan	525	11, 157	Arkansas	61	1, 056
California	420	11, 168	Dist. Columbia	59	1, 516
Minnesota	316	3, 930	Utah	58	1, 038
Texas	281	6, 944	Maryland	57	1, 301
Iowa	262	3, 250	Connecticut	54	1, 824
Indiana	249	4, 943	Alabama	52	1, 074
Missouri	243	4, 122	W. Virginia	51	898
Florida	218	6, 024	New Mexico	50	878
Kansas	161	2, 290	South Carolina	47	1, 125
Washington	159	2, 982	Wyoming	45	565
Nebraska	155	1, 865	Massachusetts	41	1, 166
New Jersey	150	4, 191	Nevada	33	744
Colorado	125	2, 495	Mississippi	33	550
Oregon	109	1, 846	Hawaii	33	632
North Dakota	108	988	Alaska	31	556
North Carolina	95	2, 076	Vermont	22	364
Oklahoma	95	1, 852	Delaware	19	570
Virginia	91	2, 158	Maine	12	194
Montana	91	974	Rhode Island	12	424
Kentucky	89	1, 860	New Hampshire	11	222
South Dakota	88	848			

SOURCE: American Bowling Congress, Nov. 1987 Annual Report

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**AVERAGE NUMBER OF LANES PER BOWLING CENTER
BY STATE, 1986-87 SEASON**

STATE	* LANES PER CENTER	STATE	* LANES PER CENTER
TOTAL U.S. AVG.	18.8		
RHODE ISLAND	35.3	OKLAHOMA	19.5
CONNECTICUT	33.8	HAWAII	19.2
DELAWARE	30.0	WASHINGTON	18.8
MASSACHUSETTS	28.4	ILLINOIS	17.9
NEW JERSEY	27.9	UTAH	17.9
FLORIDA	27.6	ALASKA	17.9
CALIFORNIA	26.6	W. VIRGINIA	17.6
DIST. OF COL.	25.7	NEW MEXICO	17.6
TEXAS	24.7	ARKANSAS	17.3
LOUISIANA	24.6	MISSOURI	17.0
GEORGIA	24.1	OREGON	16.9
SO. CAROLINA	23.9	MISSISSIPPI	16.7
VIRGINIA	23.7	VERMONT	16.6
MARYLAND	22.8	MAINE	16.2
ARIZONA	22.6	PENNSYLVANIA	14.6
NEVADA	22.6	KANSAS	14.2
NO. CAROLINA	21.9	IDAHO	13.0
TENNESSEE	21.9	WYOMING	12.6
MICHIGAN	21.3	IOWA	12.4
KENTUCKY	20.9	MINNESOTA	12.4
OHIO	20.8	WISCONSIN	12.1
ALABAMA	20.7	NEBRASKA	12.0
NEW HAMPSHIRE	20.2	MONTANA	10.7
NEW YORK	20.0	SO. DAKOTA	9.6
COLORADO	20.0	NO. DAKOTA	9.2
INDIANA	19.9		

**SOURCE: American Bowling Congress, Annual Report
Marketdata Calculations**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
NUMBER OF BOWLING CENTERS, BY STATE & REGION

(1985)			
	NO. OF CENTERS	NO. OF EMPLOYEES	AVG. NO. OF EMPLOYEES PER CENTER
TOTAL U.S.	6283	92,750-109,07	14.8
NEW ENGLAND	313	3823-4072	12.2*
MAINE	42	234	5.6
NEW HAMPSHIRE	30	362	12.1
VERMONT	25	232	9.3
RHODE ISLAND	25	250-499	10.0*
CONNECTICUT	69	1193	17.3
MASSACHUSETTS	147	1552	10.6
MID-ATLANTIC	999	14,529	14.5
NEW YORK	539	9138	16.9
NEW JERSEY	146	2214	15.2
PENNSYLVANIA	314	3177	10.1
EAST NO. CENTRAL	1850	26,888-31,887	14.5*
OHIO	457	7021	15.4
INDIANA	211	2803	13.3
ILLINOIS	418	6459	15.5
MICHIGAN	397	5000-9999	12.6*
WISCONSIN	367	5605	15.3
WEST NO. CENTRAL	916	10,467-12,966	11.4*
MINNESOTA	215	2500-4999	11.6*
IOWA	195	2029	10.4
MISSOURI	182	2503	13.8
SO. DAKOTA	51	469	9.2
NEBRASKA	102	1283	12.6
KANSAS	115	1119	9.7
	56	564	10.1
SOUTH ATLANTIC	566	11,567-11,646	20.4*
DELAWARE	14	401	28.6
MARYLAND	103	2244	21.8

* Based on lower end of range

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**BOWLING CENTER STATISTICS
NUMBER OF BOWLING CENTERS, BY STATE & REGION
(1985)**

Table Continued.....

	NO. OF CENTERS	NO. OF EMPLOYEES	AVG. NO. OF EMPLOYEES PER CENTER
<u>SOUTH ATLANTIC (CONT.)</u>			
VIRGINIA	83	1751	21.1
NO. CAROLINA	73	975	13.4
SO. CAROLINA	36	721	20.0
GEORGIA	58	1008	17.4
FLORIDA	195	4447	22.8
PUERTO RICO	4	20-99	5.0*
<u>EAST SO. CENTRAL</u>	239	3738-4237	15.6*
KENTUCKY	68	1354	19.9
TENNESSEE	69	995	14.4
ALABAMA	36	609	16.9
MISSISSIPPI	24	280	11.7
W. VIRGINIA	42	500-999	11.9*
<u>WEST SO. CENTRAL</u>	379	6926	18.3
ARKANSAS	46	407	8.8
LOUISIANA	41	997	24.3
OKLAHOMA	60	1050	17.5
TEXAS	232	4472	19.3
<u>MOUNTAIN</u>	390	5843-6092	15.0*
MONTANA	64	623	9.7
IDAHO	48	539	11.2
WYOMING	29	329	11.3
COLORADO	109	1800	16.5
NEW MEXICO	30	250-499	8.3*
ARIZONA	51	1219	23.9
UTAH	42	767	18.3
NEVADA	17	316	18.6
<u>PACIFIC</u>	631	8969-16,716	14.2*
WASHINGTON	135	2500-4999	18.5*
OREGON	97	994	10.2
CALIFORNIA	372	5000-9999	13.4*
HAWAII	16	250-499	15.6*
ALASKA	11	225	20.5

* Based on lower end of range

SOURCE: U.S. DEPT. OF COMMERCE, COUNTY BUSINESS PATTERNS

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

LARGE CITY BOWLING CENTERS

**SELECTED METROPOLITAN/CITY AREAS—NUMBER OF BOWLING CENTERS
AND THEIR RECEIPTS — 1982**

STANDARD METROPOLITAN STATISTICAL AREA-SMSA	NO. OF CENTERS	CENTERS' RECEIPTS (\$ Mill.)
CHICAGO	253	112.8
LOS ANGELES	113	73.9
PHILADELPHIA-WILMINGTON- TRENTON	102	Data Withheld
BOSTON-LAWRENCE- LOWELL	95	Data Withheld
SAN FRANCISCO	86	56.3
WASHINGTON, DC	51	25.9
HOUSTON-GALVESTON	36	Data Withheld
DALLAS-FT. WORTH	35	25.9

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**BOWLING CENTER STATISTICS
NUMBER OF & AVERAGE RECEIPTS PER BOWLING CENTER
BY STATE & REGION - 1982**

	NO. OF CENTERS	RECEIPTS (\$ MIL.)	RECEIPTS PER CENTER (\$ THOUS.)
TOTAL U.S.	6483	\$ 2,184.04	\$336.9
NEW ENGLAND	360	78.93+	---
MAINE	34	DW	DW
NEW HAMPSHIRE	32	8.16	254.9
VERMONT	23	4.45	193.3
RHODE ISLAND	21	DW	DW
CONNECTICUT	80	28.59	357.3
MASSACHUSETTS	170	37.73	221.9
MID-ATLANTIC	1062	311.16	---
NEW YORK	571	182.18	319.1
NEW JERSEY	158	58.81	372.2
PENNSYLVANIA	333	70.17	210.7
EAST NO. CENTRAL	1876	644.21	---
OHIO	472	152.94	324.0
INDIANA	212	59.77	281.9
ILLINOIS	438	160.72	366.9
MICHIGAN	398	169.67	426.3
WISCONSIN	356	101.11	284.0
WEST NO. CENTRAL	957	210.76+	---
MINNESOTA	209	56.29	269.3
IOWA	212	43.55	205.4
MISSOURI	199	49.95	251.0
SO. DAKOTA	57	8.91	156.4
NEBRASKA	106	27.11	255.8
KANSAS	115	24.95	216.9
NORTH DAKOTA	59	DW	DW
SOUTH ATLANTIC	568	234.0+	---
DELAWARE	12	6.31	526.1
MARYLAND	107	45.49	425.1
DIST. OF COL.	1	DW	DW

DW - Data withheld

Table Continued.....

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**BOWLING CENTER STATISTICS
NUMBER OF & AVERAGE RECEIPTS PER BOWLING CENTER
BY STATE & REGION - 1982**

Table Continued.....

	NO. OF CENTERS	RECEIPTS (\$ MILL.)	RECEIPTS PER CENTER (\$ THOUS.)
<u>SOUTH ATLANTIC (CONT.)</u>			
VIRGINIA	85	\$32.82	\$386.1
NO. CAROLINA	70	19.92	284.6
SO. CAROLINA	32	9.59	299.8
GEORGIA	58	21.14	364.5
FLORIDA	203	98.73	486.4
<u>EAST SO. CENTRAL</u>	250	77.54	—
KENTUCKY	72	27.05	375.7
TENNESSEE	65	19.51	300.2
ALABAMA	39	13.7	351.2
MISSISSIPPI	28	5.35	191.1
W. VIRGINIA	46	11.93	259.4
<u>WEST SO. CENTRAL</u>	362	148.48	—
ARKANSAS	47	10.68	227.3
LOUISIANA	42	18.16	432.3
OKLAHOMA	69	22.93	332.3
TEXAS	204	96.71	474.1
<u>MOUNTAIN</u>	374	105.05+	—
MONTANA	61	11.09	181.8
IDAHO	53	9.94	187.6
WYOMING	30	DW	DW
COLORADO	102	42.58	417.4
NEW MEXICO	36	8.33	231.5
ARIZONA	50	23.3	466.0
UTAH	42	9.81	233.7
<u>PACIFIC</u>	658	336.92	—
WASHINGTON	132	61.23	463.8
OREGON	102	23.09	226.4
CALIFORNIA	397	239.9	604.3
HAWAII	18	8.07	448.3
ALASKA	9	4.63	514.4

DW- Data withheld

SOURCE: 1982 Census of Service Industries, Marketdata Calculations

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
BOWLING CENTERS, BY RECEIPTS SIZE OF FACILITY (1982 & 1977)

SALES SIZE OF THE CENTER	NO. OF CENTERS	1982	% OF TOTAL RECEIPTS	ANNUAL PAYROLL AS % RECEIPTS
		RECEIPTS (\$ Mill.)		
TOTAL:	6483	\$2,184.0	100.0	28.8
Facilities Open				
Entire Year	6122	2,060.9	94.4	28.9
\$5 Million }				
2.5 - 5 Million }	9	32.6	1.5	27.1
1 - 2.5 " }				
500K - 1 million }	1381	1,101.3	50.4	29.0
250-500K	1522	542.7	24.9	30.1
100-250K	1844	307.1	14.1	27.6
50-100K	832	62.3	2.9	23.1
25-50K	339	12.2	0.6	24.6
10-25K	156	2.7	0.1	28.7
Under \$10,000	39	0.2	—	33.0
Facilities Not Open				
Entire Year	361	123.1	5.6	27.6
1977				
TOTAL:	7716	\$1,646.6	100.0	29.0
Facilities Open				
Entire Year	6675	1,539.8	93.5	29.2
\$1 Million or more	93	132.3	8.0	29.9
500-999,000	671	435.3	26.4	29.7
300-499,000	1098	424.1	25.8	29.8
100-299,000	2372	437.9	26.6	29.0
50-99,000	1079	80.3	4.9	22.6
30-49,000	482	19.1	1.2	23.0
20-29,000	241	5.9	0.4	31.9
10-19,000	228	3.3	0.2	60.9
Less Than \$10,000	411	1.7	0.1	33.3
Facilities Not Open				
Entire Year	1041	106.8	6.5	27.1

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

BOWLING CENTERS BY ANNUAL RECEIPTS SIZE OF FIRMS (1982 & 1977)

<u>1982</u>					
<u>SIZE OF FIRM</u>	<u>NO. OF FIRMS</u>	<u>NO. OF CENTERS</u>	<u>ANNUAL RECEIPTS (\$ Mill.)</u>	<u>ANNUAL PAYROLL (\$ Mill.)</u>	<u>NO. OF EMPLOYEES</u>
ALL FIRMS	5766	6483	\$2,184.0	628.9	105,406
\$100 Mill. or more					
50-100 mill.					
25-50 "	8	414	258.5	64.4	11,073
10-25 "					
5-10 "					
2.5-5 "	236	402	383.7	112	16,981
1-2.5 "					
500K-1 mill.	808	855	553.9	168.5	26,432
250-500K	1272	1300	450.5	136.7	23,622
100-250K	1752	1764	290.3	79.9	15,105
less than 100K	1336	1340	75.6	17.7	4188
Firms Operating					
Entire year	5422	6137	2,075.9	599.3	99,794
Firms Not Oper.					
Entire year	344	346	108.1	29.6	5612
			<u>1977</u>		
ALL FIRMS	7036	7716	\$1,646.6	\$469	102,961
\$50 Mill. or more					
20-49,999,000	12	464	212.9	52.7	12,215
10-19,999,000					
5-9,999,000					
1 mill.-4,999,000	110	253	188	57	10,704
500K-999,000	500	541	331.2	104.5	19,798
300K-499,000	843	867	327.3	101.4	21,369
100K-299,000	2346	2363	436.4	124.9	29,501
50K-99,000	1268	1271	100.1	21	5952
20K-49,000	1040	1040	41.2	6.4	2830
10K-19,000	363	363	6.8	0.9	433
Less than 10,000	554	554	2.9	0.2	159

SOURCE: Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

BOWLING CENTERS BY EMPLOYMENT SIZE OF FIRMS (1982 & 1977)

<u>1982</u>				
<u>SIZE OF FIRM</u>	<u>NO. OF FIRMS</u>	<u>NO. OF CENTERS</u>	<u>ANNUAL RECEIPTS</u> (Millions)	<u>NO. OF EMPLOYEES</u>
ALL FIRMS	5766	6483	\$2,184.0	105,406
Less Than 5 employees	1398	1405	107.1	3072
5 - 9	1141	1147	173.4	7734
10 - 19	1317	1342	369.3	18,303
20 - 49	1319	1373	764.1	38,973
50 - 99	183	235	232.1	11,749
100 - 249	51	176	134.8	7333
250 - 499	6	56	47.6	1906
500 - 999	7	403	247.5	10,724
1000+				
Firms Not Operating Entire Year	344	346	108.1	5612

<u>1977</u>				
ALL FIRMS	7036	7716	\$1,646.6	102,961
Less Than 5 employees	1761	1761	119.4	3603
5 - 9	1163	1170	140.7	8646
10 - 19	1389	1409	305.1	20,628
20 - 49	1335	1373	580.1	39,903
50 - 99	184	237	178.6	12,090
100 - 249	29	124	73.2	4501
250 - 499	7	65	38.9	2582
500 - 749	5	87	42.6	3024
750 - 999	3	330	136.5	7984
1000+				

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

BOWLING CENTERS, BY SINGLE & MULTI-UNIT FIRMS (1982 & 1977)

<u>1982</u>					
	<u>NO. OF FIRMS</u>	<u>NO. OF CENTERS</u>	<u>ANNUAL RECEIPTS</u> (\$ Mill.)	<u>PAYROLL AS % RECEIPTS</u>	<u>NO. OF EMPLOYEES</u>
<u>ALL FIRMS</u>	5766	6483	\$2,184.0	28.8	105,406
<u>SINGLE UNITS</u>	5453	5453	1,558.8	29.2	76,330
<u>MULTI UNITS</u>	313	1030	570.8	27.8	25,584
1 Facility	152	152	77.3	31.4	3486
2 Facilities	148	411	209.8	29.2	9864
3 or 4 "					
5 - 9 "					
10 or more "	13	467	283.7	25.7	12,234
<u>1977</u>					
<u>ALL FIRMS</u>	7036	7716	\$1,646.6	NA	102,961
<u>SINGLE UNITS</u>	6905	6905	1,264.7	NA	79,036
Oper. by single facility firm	6749	6749	1,209.7	NA	75,549
Oper. by multi- facility firm	156	156	55	31.4	3487
<u>MULTI UNITS</u>	131	811	345.4	26.7	20,517
With 2 facilities	80	160	51	29.9	3059
3 facilities	19	57	35.7	27.6	1833
4 or 5 "	21	125	57.5	31.4	3894
6 - 10 "					
11 or more "					
	11	469	201.3	24.3	11,731

NA - Data not available

SOURCE: U.S. Census of Service Industries, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS
EMPLOYEE PRODUCTIVITY ANALYSIS
NUMBER OF EMPLOYEES PER CENTER VS. PAYROLL INCREASES

THE 24 STATES WITH HIGHER THAN AVERAGE EMPLOYMENT PER CENTER

STATE	1985	% CHANGE IN RECEIPTS OUTPACED PAYROLL INCREASES FOR PERIOD 1977-82 ?
	AVG. NO. OF EMPLOYEES	
U.S. AVERAGE	14.8	YES
DELAWARE	28.6	YES
LOUISIANA	24.3	YES
ARIZONA	23.9	YES
FLORIDA	22.8	YES
MARYLAND	21.8	NO
VIRGINIA	21.1	YES
ALASKA	20.5	YES
SO. CAROLINA	20.0	YES
KENTUCKY	19.9	NO
TEXAS	19.3	YES
NEVADA	18.6	NA
WASHINGTON	18.5	YES
UTAH	18.3	YES
OKLAHOMA	17.5	YES
GEORGIA	17.4	YES
CONNECTICUT	17.3	YES
ALABAMA	16.9	YES
NEW YORK	16.9	YES
COLORADO	16.5	YES
HAWAII	15.6	NA
ILLINOIS	15.5	YES
OHIO	15.4	YES
WISCONSIN	15.3	NO
NEW JERSEY	15.2	NO

NA - Data not available

SOURCE: Dept. of Commerce, County Business Patterns,
Markedata Calculations

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

BOWLING CENTER STATISTICS

EMPLOYEE PRODUCTIVITY ANALYSIS

NUMBER OF EMPLOYEES PER CENTER VS. PAYROLL INCREASES

THE 20 STATES WITH LOWER THAN AVERAGE EMPLOYMENT PER CENTER

<u>1985</u>		
<u>STATE</u>	<u>AVG. NO. OF EMPLOYEES</u>	<u>% CHANGE IN RECEIPTS OUTPACED PAYROLL INCREASES FOR PERIOD 1977-82 ?</u>
<u>U.S. AVERAGE</u>	<u>14.8</u>	<u>YES</u>
MAINE	5.6	NA
ARKANSAS	8.8	NO
SO. DAKOTA	9.2	NO
VERMONT	9.3	YES
KANSAS	9.7	NO
IDAHO	9.7	NA
NO. DAKOTA	10.1	NA
PENNSYLVANIA	10.1	YES
OREGON	10.2	YES
IOWA	10.4	NO
MASSACHUSETTS	10.6	YES
IDAHO	11.2	NO
WYOMING	11.3	NA
MISSISSIPPI	11.7	YES
NEW HAMPSHIRE	12.1	NA
NEBRASKA	12.6	YES
INDIANA	13.3	YES
NO. CAROLINA	13.4	NO
MISSOURI	13.8	YES
TENNESSEE	14.4	NO

NA - Data withheld, not available

SOURCE: U.S. Dept. of Commerce-County Business Patterns,
Census of Service Industries, Marketdata Calculations

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**BOWLING CENTER STATISTICS - EMPLOYEE PRODUCTIVITY
GROWTH IN BOWLING CENTER RECEIPTS VS. PAYROLL COSTS
BY STATE & REGION: 1977-82**

	<u>% INCREASE IN RECEIPTS 1977-82</u>	<u>% INCREASE IN PAYROLL COSTS 1977-82</u>	<u>NO. OF EMPLOYEES 1982</u>
<u>TOTAL U.S.</u>	<u>35.2</u>	<u>34.1</u>	<u>105,406</u>
<u>NEW ENGLAND</u>	<u>---</u>	<u>---</u>	<u>3668+</u>
MAINE	DW	DW	DW
NEW HAMPSHIRE	DW	DW	321
VERMONT	48.6	31.9	197
RHODE ISLAND	DW	DW	DW
CONNECTICUT	49.8	39.9	1313
MASSACHUSETTS	28.8	21.7	1837
<u>MID-ATLANTIC</u>	<u>---</u>	<u>---</u>	<u>14,765</u>
NEW YORK	28.2	28.5	8922
NEW JERSEY	17.6	24.4	2343
PENNSYLVANIA	19.3	18.8	3500
<u>EAST NO. CENTRAL</u>	<u>---</u>	<u>---</u>	<u>31,321</u>
OHIO	23.9	23.9	7523
INDIANA	32.8	30.2	2942
ILLINOIS	41.0	36.6	6854
MICHIGAN	24.8	23.8	7968
WISCONSIN	47.3	51.1	6034
<u>WEST NO. CENTRAL</u>	<u>---</u>	<u>---</u>	<u>11,885+</u>
MINNESOTA	52.3	53.7	3142
IOWA	31.3	35.9	2451
MISSOURI	29.7	30.0	2697
SO. DAKOTA	56.3	65.5	534
NEBRASKA	42.1	38.4	1628
KANSAS	34.2	35.7	1433
NO. DAKOTA	DW	DW	DW
<u>SOUTH ATLANTIC</u>	<u>---</u>	<u>---</u>	<u>10,941+</u>
DELAWARE	46.0	37.1	306
MARYLAND	21.6	28.3	2308
DIST. OF COL.	DW	DW	DW

DW - Data withheld

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**BOWLING CENTER STATISTICS - EMPLOYEE PRODUCTIVITY
GROWTH IN BOWLING CENTER RECEIPTS VS. PAYROLL COSTS
BY STATE & REGION: 1977-82**

Table Continued.....

	% INCREASE IN RECEIPTS	% INCREASE IN PAYROLL COSTS	NO. OF EMPLOYEES
	1977-82	1977-82	1982
<u>SOUTH ATLANTIC (CONT.)</u>			
VIRGINIA	41.4	39.4	1602
NO. CAROLINA	26.3	32.8	968
SO. CAROLINA	48.3	44.8	406
GEORGIA	81.9	66.3	998
FLORIDA	82.8	72.3	4353
<u>EAST SO. CENTRAL</u>	---	---	4078
KENTUCKY	19.4	27.8	1535
TENNESSEE	41.8	59.6	945
ALABAMA	56.5	54.1	666
MISSISSIPPI	43.7	32.6	264
W. VIRGINIA	6.4	24.5	668
<u>WEST SO. CENTRAL</u>	---	---	6847
ARKANSAS	37.2	51.3	563
LOUISIANA	45.6	32.9	821
OKLAHOMA	62.0	60.2	1242
TEXAS	53.0	45.7	4221
<u>MOUNTAIN</u>	---	---	5154+
MONTANA	39.2	32.5	627
IDAHO	27.4	33.3	582
WYOMING	DW	DW	DW
COLORADO	74.4	69.6	1815
NEW MEXICO	DW	DW	473
ARIZONA	49.4	35.9	1044
UTAH	38.5	28.1	613
<u>PACIFIC</u>	---	---	14,044
WASHINGTON	47.5	41.3	2965
OREGON	43.5	33.6	1185
CALIFORNIA	19.2	20.1	10,143
HAWAII	DW	DW	393
ALASKA	59.2	53.0	158

DW - Data withheld

SOURCE: 1982 Census of Service Industries, Marketdata Calculations

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

COMPOSITE FINANCIAL STATEMENTS-BOWLING CENTERS

ALL ASSET SIZES-GROUP AS A WHOLE

HISTORICAL DATA - 9 MONTHS (JUNE 30-NEXT MARCH 31)

	1981	1982	1983	1984	1985	1986
NO. OF STATEMENTS	65	64	64	60	75	76
BALANCE SHEET						
ASSETS	% of Total					
Cash & equivalents	8.2	6.5	8.3	10.6	7.3	5.9
Net trade receivables	1.1	1.5	1.9	0.4	0.9	1.0
Inventory	3.3	4.2	3.4	3.2	3.1	4.4
All other current	1.6	1.1	2.0	1.4	2.3	2.0
Total current	14.1	13.2	15.6	15.5	13.6	13.2
Net fixed assets	69.6	74.7	71.8	76.8	74.3	74.1
Net intangibles	1.1	1.2	1.5	1.7	1.8	1.5
All other non-current	15.2	10.9	11.1	6.0	10.3	11.3
LIABILITIES						
Short term notes payable	4.2	3.3	6.4	4.0	5.6	5.6
Curr. Mat.-LT debt	7.5	7.5	8.0	7.4	7.0	6.8
Trade payables	6.1	5.3	7.5	3.5	5.2	5.5
Income taxes payable	---	---	---	---	0.6	0.4
All other current	7.1	7.9	9.8	6.8	8.5	7.8
Total current	24.8	24.1	31.6	21.6	26.8	26.2
Long term debt	43.6	44.4	42.9	46.7	42.1	42.5
Deferred taxes	---	---	---	---	0.2	0.2
All other non-current	1.6	3.1	2.4	2.0	3.0	1.7
Net worth	29.9	28.3	23.2	29.6	27.9	29.4
INCOME STATEMENT						
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Operating expenses	89.3	89.1	91.1	90.3	93.1	94.1
Operating profit	10.7	10.9	8.9	9.7	6.9	5.9
All other net exp.	5.2	4.4	3.3	4.3	5.7	4.2
Profit before taxes	5.5	6.5	5.6	5.4	1.2	1.7
RATIOS						
Current	0.4	0.4	0.4	0.7	0.4	0.4
Debt/worth	2.7	2.8	3.4	3.4	3.5	3.1
% Prof.bef.tax/tot.assets	5.9	5.5	3.8	4.0	1.6	2.6
Sales/total assets	1.1	1.0	1.0	1.1	1.2	1.2

SOURCE: Robert Morris Associates, Annual Financial Statements

THE RETAIL SPORTING GOODS/BOWLING PRO SHOPS MARKET SEGMENT

SUMMARY

Of the three segments of the bowling industry, retail "pro shops", included within the broader "sporting & athletic goods" category, have probably fared the best in recent years. This industry is classified under the Government's SIC code 5941 - Sporting Goods & Bicycle Shops. Sales by these retail shops rose 52% between 1983 and 1986, a 17.4% annual rate. Volume was estimated to be up a strong 14.4% to \$12.47 billion in 1987, after sluggish 3.3% growth during 1986. However, these 17% gains pertain mostly to sales of equipment for sports **other than** bowling.

As in other retail areas, sporting goods shops' sales soar during December, for the Christmas season. December sales can amount to as much as 14% of the year's total (as in 1984). December sales accounted for 13.6% of the yearly total in 1983, 14% in 1984, 13.1% in 1985, and 13.4% in 1986.

Perhaps the reason for retail shops doing a little better than centers is that bowling equipment is still reasonably priced, relative to other sports such as boating, hunting, golf, skiing, and tennis. The National Sporting Goods Association reported that the average retail purchase price of a bowling ball was \$44 in 1985, 11th highest of 17 product categories tracked. True, some of the newer urethane balls geared to the high average bowler can run as much as \$120, but in general, one can get started with a new ball, bag and shoes generally for under \$100 in most parts of the country.

Concerning the distribution channels for sporting goods overall, the U.S. Census Bureau reported that in 1982 small sporting goods stores & bicycle shops captured 43% of this \$13 billion retail market. Department stores took another 15%, boat dealers 19%, general merchandise stores - 5%, and mail order houses - 3.5%.

According to the Yellow Pages, and a mail list company that specializes in compilations of Yellow Pages data, there were 2,742 "retail bowling apparel & accessories shops" in the United States in 1987. California had the most with 307, followed by Ohio and New York with 228 each, and Michigan with 217, Illinois with 165, and Pennsylvania with 155.

For these shops, **inventory** is key. Nearly two-thirds of total assets on their balance sheet is comprised of inventory (61.2% in 1986-the lowest

level in six years). **Receivables** are low for these businesses--only about 8% of total assets (rising to 8.6% in 1986). This is not surprising, since most small businesses like this operate primarily on a cash or credit card basis, with few personal checks accepted. Trade **payables** represent 22-24% of total liabilities, and long-term debt is low at 14-16% of the total. This is also to be expected. Small pro shops usually don't have a lot of expensive machinery or fixed assets to pay off over a long period of time.

Gross profits are substantial, at 33-35% of net sales in a typical year (34.7% in 1986). **Operating** profits run about 3-4% of sales, and profits before taxes are roughly 2% of sales.

FINDINGS OF DECEMBER 1987/JANUARY 1988 PRO SHOPS PHONE SURVEY

Marketdata performed a telephone survey of retail "pro shops" located across the United States, during December 1987 and January 1988. Phone discussions were held with equipment suppliers and proprietors, and several were visited in person, to determine the following information about the retail channels and nature of the market for bowling supplies.....

- * Percent sales increase in 1987 over 1986, and outlook/expectations for 1988.
- * The best selling product lines over the past several years (i.e. balls, bags, shoes, trophies, etc.).
- * The major problems or challenges affecting retail pro shops today.
- * Whether proprietors do any export/international business.
- * Proprietors' advertising methods.
- * Relationship with equipment suppliers.
- * Advantages/disadvantages associated with being located inside a bowling center vs. existing independently, separate from the center.

MAJOR FINDINGS

- * The consensus opinion is that 65-75% of pro shops are operated on a **part-time** basis. Owners frequently hold other full-time jobs (i.e. teacher, postal worker, etc.) that allow them the flexibility to run a pro shop "on the side". Many shops were started on a very small scale, at the owner's home, in garages, etc., and a good deal of them are **still** of this nature.

* **Proprietors' sales, on average, rose 2.5% in 1987. They expect 6% growth for 1988.**

* Shops that are independent from bowling centers do better business, since they have greater retail "exposure" being located on the street. They **have** to do better, to cover higher expenses for rent, utilities, taxes, etc. The pro shop located within the center has a more limited potential customer base--regular league or open bowlers in that house, not too conducive to impulse purchases from people driving by.

* The shops that usually do better are highly diversified, carrying a full line of balls, bags, shoes, trophies and other accessories. Some shops develop specific expertise in drilling, fitting, plugging and resurfacing techniques, offering devices not found in mass merchandise chains or department stores (such as a "Thumbmaster" plug providing superior fit). Some shops also derive a significant share of sales from export business to overseas countries where bowling is popular (Finland/Scandinavia). Many shops also carry billiards equipment, and some even sell/rent videotapes.

* Many pro shop proprietors become heavily involved in community/civic groups and charities such as the Chamber of Commerce, Kiwanis Clubs, Veterans groups, United Way, Epilepsy Foundation, U.J.A., etc. Aside from the personal interests of the proprietor, this can be an effective networking method and results in good public relations for the business.

* Proprietors report that sales of bowling balls in **units** are down, compared to 5-10 years ago. However, since **prices** have risen (as much as \$120 for the new urethane balls), this results in roughly the same total dollar sales volume. There was no conclusive finding about the best-selling product line--balls, bags and shoe sales generally go hand-in-hand. One shop reported that 8-10 years ago it sold 120 balls during the Christmas season, but that 1987 sales amounted to about 20.

* Several shops said that the bulk of their business today is derived from a specialty in **engraving** (for high schools, colleges, companies)--not bowling supplies. The majority of shops surveyed said that a pro shop owner today is foolish if he/she doesn't diversify into trophies and plaques, which is a big business.

* Pro shops located in Mid-Atlantic states such as New York, New Jersey, and Connecticut are somewhat unique in that most are independent and are **not** located within the bowling center itself. This is **not** the case for most other areas of the country.

* A good number of shops are involved in **wholesaling** business, and belong to buying or co-op groups, allowing them to purchase equipment from manufacturers at better prices, and with more clout. Wholesalers typically carry an inventory of \$250-500,000, and levy markups of roughly 25% on their sales.

Pro shop owners usually employ the following advertising vehicles.....

- * Local "Pennysaver" type periodicals distributed door-to-door, in supermarkets and other retail stores
- * The Yellow Pages phone directory
- * Ads in local bowling journals
- * Word-of-mouth referrals from satisfied customers

The Major problems cited by pro shop operators include the following.....

* Pro shops, for the most part, are extremely vulnerable to the health of bowling **centers** in their area. **Closings** of centers affects them badly, since probably 30-35% of the league bowlers are lost for good when a center closes. The pro shop business today is very cyclical. People don't bowl much in the summer anymore, and greater numbers of women work today. Center closings are a major problem nationwide, not just in the major metropolitan cities.

* Bowlers losing interest in the game. Many shop owners report that league bowlers are very unhappy with lane and scoring conditions under the "short oil" or "limited distance dressing" rule, which tends to increase the amount of hook one throws. Seniors have problems with balls that hook more than they used to years ago. Under "longer oil" conditions, they threw a straighter ball, which was easier to control and made them more accurate in converting spares. Another problem mentioned was the fact that centers' 2nd or late shifts (usually starting at 9 PM) **rarely** start on time. Consequently, the late league starts at 9:15-9:30, and bowlers don't finish until 12-12:30 PM or later. This cuts down on the number of after-league "pot games" frequently bowled 8-10 years ago. After all, people have to get up for work the next day.

Finally, some owners feel that the best thing for the business would be an economic recession, because prices will come down. According to one proprietor....."Proprietors (center owners) made a lot of money when lines cost 15 cents." This is already happening in many economically depressed areas of the nation, where game prices have been cut to under \$1.00.

PRO SHOP PRODUCT LINE MARKET POTENTIAL (BALLS, BAGS, SHOES) AND NATURE OF THE DISTRIBUTION CHANNEL

During 1978, one of the major bowling equipment manufacturers performed a market research survey of the market for consumer bowling products, available to authorized retail distributors of their products.

A national panel of 40,000 households was sampled, and over 31,400 responses were generated. 1,816 households purchased personal bowling equipment. Wherever possible, the findings of this excellent report were updated via the telephone survey conducted by Marketdata, to determine if trends true ten years ago still hold today. Even though this data is ten years old, some basic characteristics of the market probably have not changed much. Therefore, the information still has merit. These are the findings.....

THE BOWLING BALL MARKET

1977 sales, according to this manufacturer survey, were estimated at \$72.5 million, and 2.5 million units. The top suppliers, were, in order: 1) Brunswick, 2) Columbia, and 3) (tied) AMF and Ebonite. Census Bureau figures from the Government for 1977 put bowling ball sales, at the **producer** level, at \$34.6 million. This implies that there was a 100%+ mark-up to arrive at the market potential at the **retail** level.

Marketdata's pro shop survey confirmed this mark-up. It can exceed 100% because one must not only include the price of the ball itself, but the "value added" service provided by the pro shop in drilling/fitting the ball to the bowler. Drilling typically adds \$10-25 to the price, depending on custom devices used. This is above and beyond the normal mark-up.

Plastic balls were said to outsell rubber types by a 2 to 1 margin. Pro shop owners today estimate about the same ratio. Plastic and urethane types are estimated to account for 70% of the total, with virtually all women buying plastic balls, for their color and appearance. **Urethane** balls are especially popular among men and the high-average bowlers--possibly 50% of all balls sold to men today. In fact, many owners feel that urethane has kept many pro shops in business. Plastic balls in 1977 comprised 75% of the **first-time** ball buyer market. In 1970, only 30% of balls sold were plastic, 62% in 1975.

The consensus estimate of the number of bowling balls sold today, by manufacturer, is as follows.....(see next page)

Brunswick	700,000 units
Columbia	700,000
Ebonite	600,000
AMF	450,000
All others*	<u>250,000</u>
Total:	2,700,000

* Includes lesser known, small companies such as: Roto Star, Fab Balls, Star Track, and Gemtech.

(These small firms cannot compete effectively with the giants like Brunswick, Columbia, and Ebonite because they do not have the financial resources to offer hidden "bonus money" or "incentives" given to pro bowlers who use their balls. Such practices are kept from public view, but do occur in the real world. In a major PBA tournament, such incentives can amount to \$10-15,000, frequently approaching the first or second-place prize money to the winner. Therefore, the very small ball manufacturers must develop other business avenues such as international sales, or sales to the military, to stay afloat. The military market is huge, operating roughly 600 centers around the world and bigger than Brunswick by a 2 to 1 margin. However, dealing with Government business can be a hassle, due to pricing and paperwork drawbacks.)

* The number one seller of bowling balls in the U.S. today is K-Mart. Not well known in the Northeast and Mid-Atlantic states, it is nevertheless a big factor in the West, Midwest and South, where bowling is very popular.

* Two-thirds of ball buyers were under the age of 35, with the highest purchase rate applicable to those aged 14-24, with 3 years of league experience or less, with an average under 150.

* The average interval between ball purchase was 6 years, and as bowlers become more skilled they return to the market more frequently.

* Bowling centers sold 40% of all balls in 1977, **mass merchandisers** sold 33%, **pro shops** - 15%, **sporting goods stores** - 12%, and **all other retail outlets** - 2%. In the Mid-Atlantic region, the share for pro shops is probably much higher, due to the higher percentage not located within centers.

* Pro shops are selected as the point of purchase because of their better expertise in fitting and drilling balls, and the quality of merchandise. Pro shops account for the overwhelming majority of high-priced, high-end ball sales. Less skillful bowlers base their buying decision mainly on price, and will go to mass merchandisers or department stores instead.

- * The average price of a ball in 1977 was about \$29. The National Sporting Goods Association reported an average of \$44 in 1985. Most pro shop owners today report an average price of \$50-55, implying 7.5-9% yearly increases in ball prices over the last 10 years.
- * 50% of the balls sold in 1977 were 14 lbs. or more in weight. Women buy the majority of lighter weight balls.
- * 80% of the rubber balls sold in 1977 were solid black. Almost **all** of the plastics were colored.
- * In 1977, 62% of **all** ball buyers were under age 35, 17% aged 35-44, and 21% aged 45+. In the future, the share for the "over 45" group will increase, due to greater numbers of senior bowlers and the overall aging of the U.S. population.
- * One of the principal reasons to buy a ball is that it is intended for use in a newly-joined league. 62% of ball buyers in 1977 bowled in one league, 14% in two, 5% in three.
- * 73% of ball buyers had averages under 150, and 40% of bowlers with averages over 150 bowled in two or more leagues.
- * 44% of the **number** of balls sold were for replacement, with the replacement cycle averaging 5.4 years for men and 6.9 years for women.
- * The main reasons for buying a ball were, in this order of importance: the bowler wanted his/her own, for a better fit/grip, to improve score, joined a league.
- * Brand selection criteria were, in order of importance: 1) perceived quality & reputation, 2) price, 3) performance (more important to men), and 4) appearance (more important for women).
- * Women bowlers prefer a 12 lb. ball over any other weight (72% sold are 12 lbs. or lighter).
- * Pro shops sell virtually none (2%) of the lowest-priced balls, but captured 29% of the highest-priced balls.

THE BOWLING SHOE MARKET

According to the 1977 survey, **1.9 million pairs of bowling shoes**

were sold in 1977, worth an estimated \$25.8 million at retail levels. Brunswick, AMF, J. C. Penney, Dexter, and Hyde were the leaders. The average price of shoes was \$15.60. Today, pro shop owners estimate that the average pair of bowling shoes goes for \$40-45, implying more than 15% annual average price increases.

As for distribution outlets, bowling centers sold the most (37%) of shoes in 1977, followed by mass merchandisers at 28%, sporting goods stores at 19%, pro shops at 13%, and other retail outlets - 3%.

- * Women's shoes represented a slight majority of 56% of shoe sales, and the same seems to be true today.
- * For selection criteria, style/appearance is more important to women buyers, and a good fit is more important to men.
- * Shoes are replaced on average every 7.5 years (longer than for balls).
- * Shoes are the **least** likely item to be given as a gift, but when they **are** bought as a gift, **pro shops** are more likely to be the outlet of choice.
- * K-Mart and J.C. Penney's were and still are significant retailers of bowling shoes.

THE BOWLING BAG MARKET

The market for bowling ball bags, according to the 1977 survey, amounted to 2 million units, worth an estimated \$27.4 million. Mass merchandisers were said to account for 46% of sales, bowling centers - 26%, sporting goods shops - 15%, pro shops - 8%, and all other kinds of retailers - 5%.

- * The average price of a bowling ball bag in 1977 was \$13.70. Today, pro shops owners estimate average bag prices to be around \$30, for a 12% average yearly increase over ten years.
- * Pro shops were the worst type of outlet for capturing the first-time bag buyer; department stores were best.
- * Women bowlers keep their bags an average of 2 years longer than men.
- * Bowling bags are the least likely bowling accessory to be purchased separately.

- * Mass merchandisers generally sell more low-priced bags, while bowling centers sell the higher end.
- * Sporting goods stores derive an above-average volume of **gift** buyers of balls and bags.
- * In 60% of the cases, each product is bought in combination with one or two of the others. In general, gift certificate use is minimal for bowling balls, bags and shoes (less than 10% of the time). A bowler averaging 120 or less is twice as likely to receive a **ball** as a gift. This is understandable, since the ball is then customized to the person's grip by having it drilled at a pro shop or center, whereas shoes and bags represent more of a personal choice regarding color and style, and are more likely to be returned if the recipient isn't satisfied.

PRO SHOP PROPRIETOR RECOMMENDATIONS

Individual styles of operation are, of course, up to the discretion of the proprietor. But, based on an objective analysis of the economic, marketing, and financial facts and figures pertaining to the business of operating a bowling pro shop, plus the telephone and in-person discussions held with proprietors, and the findings of the market research department of one of the industry's largest suppliers, Marketdata makes the following recommendations for greatest success.....

1) **Diversify**, to reduce exposure to cyclical ups and downs of the economy or specific markets. Diversification is a good rule to follow in many areas (such as investments--never put all your eggs in one basket. Thus, the immense popularity of stock mutual funds in recent years). A "full-service" shop should provide the following product lines and services:

- * Bowling balls (new and used)
- * Bags (variety of styles, brands, prices)
- * Shoes
- * Custom drilling & fitting of balls
- * Shirts (and personalized embroidery services)
- * Trophies and plaques
- * Novelties
- * Finger grips, inserts, wrist straps, cleaners, all other bowling accessories
- * Custom engraving (balls, trophies, plaques, cups, etc.)
- * Bowling videotapes (for sale or rent), instruction books pamphlets, guides
- * Customized, personalized lessons/instruction at local center, for new and existing bowlers

2) Investigate **wholesaling** opportunities.

3) Investigate **export business/international markets**--With a weak dollar currently, U.S. products are very competitively priced. Now is a good time to penetrate overseas markets.

4) Investigate potential in the **military market**, supplying various military installations' bowling centers with needed equipment.

5) Work heavily on **joint programs with bowling center management** and league secretaries (if you own an independent shop). Offer discounts on equipment or lessons, tied into some formula (number

of games bowled, etc.) agreed to with the center owner. Work out a full yearly program, not just unrelated, one-time promotions. You (the pro shop owner) and the center are in this business together, and face the same problems. Work on solving them together, playing upon each other's strengths to create a synergy not otherwise possible.

6) Develop a store/company image or specialty (your long-standing reputation for producing good bowlers, master of a certain fitting technique/device). Play on your inherent strengths--a manufacturer survey found that pro shops were selected by buyers because of their expertise in drilling/fitting balls, and for the **quality** of their merchandise. So, play this up in your promotions.

7) Promote your successes. When a bowler shoots a 300 game, high series, or wins a tournament with a ball **you** drilled, get his/her "testimonial" and announce it in a bowling trade paper, or post a flyer or plaque in the store. Do it on a **regular** basis. Develop a testimonial "media kit" of such success stories, to hand out with other literature to "sales leads" (potential first-time buyers that come to the store to browse, but don't buy--never let them leave without information that helps them make their buying decision. Tell them what **bad** things will happen to them if they don't buy from you--they'll get an improper fit by having a ball drilled by unqualified department store "generalists", and have to have the ball re-drilled anyway.)

8) Make it easy to browse and purchase. Stimulate impulse buying by proper design/layout of the store. Make the store uncluttered, clean, attractive, modern, high-tech in appearance. Set drilling machinery out of the way.

9) Advertise more, and in different ways. A major manufacturer survey found that only 3% of buyers were influenced by **pro shop** ads (vs. 20% for mass merchant ads). Get department store/mass merchant customers into **your** shop instead--create your own inexpensive direct mail flyers and have teenagers distribute them on car windshields or in mailboxes of houses in the area. Run test ads in larger newspapers rather than "Pennysaver" type papers, including coupons for discounts and special deals.

10) Keep a mailing list of your customers and establish a "tickler file" that reminds you when a buyer's ball or shoes are 5-7 years old (typical average life). Encourage them to come in and replace them (offering some special incentive) to obtain maximum performance results.

Promote the new and improved bowling balls, sending product announcements to higher average bowlers.

11) **Develop a typical buyer profile**, from information collected on your sales receipts, and compare this profile to the profile of the typical local league bowler in centers in your area. Consult local center proprietors to compare bowler characteristics, altering your marketing strategies as needed to satisfy these bowlers' needs most effectively.

12) **Promote the use of gift certificates** more heavily. Generally, they are not used now (only 10% of the time according to a manufacturer survey). Balls and bags are more likely to be given as gifts. Pro shops are worst at getting the first-time bag buyer--department stores are your chief competition.

13) **Keep tabs on financial "yardsticks"**. Investigate areas where you differ substantially from national averages for retail sporting goods stores. For example, check further if you find that.....

- * receivables are much higher than 8.5% of total assets
- * inventory represents much more than 64% of total assets
- * payables are **less than** 21% of total liabilities
- * long-term debt is much higher than 16% of total liabilities
- * gross profits are lower than 33% of sales
- * operating expenses are more than 33% of sales
- * profit before taxes are lower than 1.8% of sales
- * December sales do not equal at least 13% of the year's total

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**THE RETAIL - PRO SHOPS SEGMENT
SPORTING GOODS & BICYCLE SHOPS SALES: 1983-87
(\$ Millions)**

	<u>YEARLY SALES</u>	<u>ANNUAL % CHANGE</u>
1983	\$8, 197	
1984	9, 785	19.4
1985	10, 556	7.9
1986	10, 900	3.3
1987 Estimate*	12, 468	14.4

* Estimated, based on 9 months' sales of \$9,351 (Mill.)

----- SALES PATTERNS, BY MONTH -----

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
	(\$ Millions-Data not seasonally adjusted)			
JANUARY	\$537.0	\$635.0	\$694.0	\$697.0
FEBRUARY	505	653	683	676
MARCH	622	723	842	823
APRIL	651	746	857	858
MAY	666	829	946	938
JUNE	753	803	943	940
JULY	686	789	850	892
AUGUST	734	869	946	1010
SEPTEMBER	654	737	778	879
OCTOBER	587	692	747	820
NOVEMBER	684	841	892	910
DECEMBER	1118	1368	1378	1457

SOURCE: U.S. Census Bureau, Unpublished Retail Trade Survey.

These estimates subject to relatively high sample variability due to small sample size-use with caution (covers sic code 5941)

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES I

**THE RETAIL - PRO SHOPS SEGMENT
AVERAGE RETAIL PURCHASE PRICE
OF SPORTING GOODS, BY TYPE (1985)**

RANKED - HIGHEST TO LOWEST PRICE

ITEM	PRICE
Outboard engine	\$3,365.00
Outboard boat	2,490.00
Canoe	444.00
Rifle	219.00
Shotgun	218.28
Skis - downhill	196.34
Rowing machine	135.62
Water skis	124.65
Hockey skates	77.08
Tennis racket	64.75
Bowling ball	44.38
Fishing rod/reel	35.78
Aerobic shoes	30.42
Baseball glove	27.89
Bathing suit	22.19
Backpack	21.05
Basketball	15.27

SOURCE: National Sporting Goods Assoc., Marketdata

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

THE RETAIL - PRO SHOPS SEGMENT

SPORTING GOODS SALES, BY TYPE OUTLET/BUSINESS
(1982)

<u>TYPE BUSINESS</u>	<u>TOTAL SALES</u> (Billions)	<u>PERCENT OF TOTAL</u>
ALL TYPES:	\$13.038	100.0
Sporting goods stores & bicycle shops	5.624	43.1
Department stores	1.994	15.3
Boat dealers	2.474	19.0
Mail order houses	0.462	3.5
Miscellaneous general merchandise stores	0.649	5.0

SOURCE: 1982 Census of Retail Trade, Dept. of Commerce

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**NUMBER OF RETAIL BOWLING APPAREL & ACCESSORIES
SHOPS, BY STATE: 1987**

<u>State</u>	<u>Number Of Shops</u>	<u>State</u>	<u>Number Of Shops</u>
ALABAMA	7	MONTANA	16
ALASKA	5	NEBRASKA	33
ARIZONA	25	NEVADA	10
ARKANSAS	8	NEW HAMPSHIRE	1
CALIFORNIA	307	NEW JERSEY	70
COLORADO	67	NEW MEXICO	13
CONNECTICUT	40	NEW YORK	228
DELAWARE	6	NO. CAROLINA	15
DIST. OF COL.	2	NORTH DAKOTA	9
FLORIDA	120	OHIO	228
GEORGIA	21	OKLAHOMA	28
HAWAII	10	OREGON	33
IDAHO	16	PENNSYLVANIA	155
ILLINOIS	165	RHODE ISLAND	3
INDIANA	90	SO. CAROLINA	8
IOWA	74	SOUTH DAKOTA	8
KANSAS	38	TENNESSEE	28
KENTUCKY	30	TEXAS	91
LOUISIANA	22	UTAH	25
MAINE	7	VERMONT	6
MARYLAND	42	VIRGINIA	26
MASSACHUSETTS	36	WASHINGTON	55
MICHIGAN	217	W. VIRGINIA	10
MINNESOTA	64	WISCONSIN	118
MISSISSIPPI	9	WYOMING	12
MISSOURI	85		
		U.S. TOTAL:	2,742

SOURCE: American Business Lists, Yellow Pages Directories

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

COMPOSITE FINANCIAL STATEMENTS-PRO SHOPS

(RETAIL SPORTING GOODS & BICYCLE SHOPS)

ALL ASSET SIZES-GROUP AS A WHOLE

HISTORICAL DATA - 9 MONTHS (JUNE 30-NEXT MARCH 31)

	1981	1982	1983	1984	1985	1986
NO. OF STATEMENTS	258	281	258	274	268	260
BALANCE SHEET						
ASSETS						
	----- % of Total -----					
Cash & equivalents	6.2	6.5	6.2	6.8	6.2	6.9
Net trade receivables	9.0	8.1	7.3	8.0	8.1	8.6
Inventory	64.0	64.1	64.2	63.5	63.6	61.2
All other current	1.3	1.4	1.0	1.3	0.9	1.2
Total current	80.5	80.1	78.6	79.5	78.8	78.0
Net fixed assets	13.4	14.8	15.7	15.2	14.9	16.7
Net intangibles	1.1	0.9	0.8	1.0	1.2	1.0
All other non-current	5.0	4.2	4.9	4.3	5.2	4.4
LIABILITIES						
Short term notes payable	14.2	12.5	14.0	14.0	15.8	14.5
Curr. Mat.-LT debt	3.2	4	3.1	3.2	2.8	3.7
Trade payables	23.2	24.1	23.0	21.9	22.4	22.6
Income taxes payable	---	---	---	---	0.6	0.7
All other current	9.3	9.3	9.1	7.9	8.2	7.5
Total current	50.0	49.8	49.1	47.0	49.8	49.0
Long term debt	14.7	15.0	14.2	16.4	14.9	15.1
Deferred taxes	---	---	---	---	0.2	0.1
All other non-current	2.1	2.0	2.1	1.9	2.1	1.5
Net worth	33.2	33.3	34.7	34.7	32.9	34.4
INCOME STATEMENT						
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	33.7	33.6	34.8	35.2	35.0	34.7
Operating expenses	29.9	30.0	31.8	32.3	31.8	31.7
Operating profit	3.9	3.6	3.0	2.8	3.1	3.0
All other net exp.	1.0	1.1	1.1	0.9	1.1	1.2
Profit before taxes	2.9	2.5	1.9	1.9	2.1	1.8
RATIOS						
Current	1.7	1.6	1.7	1.7	1.6	1.6
Debt/worth	1.9	1.9	2.0	2.1	2.2	2.2
% Prof.bef.tax/tot.assets	6.0	4.4	4.5	4.4	5.4	4.5
Sales/total assets	2.3	2.3	2.4	2.4	2.4	2.4

SOURCE: Robert Morris Associates, Annual Financial Statements

THE BOWLING EQUIPMENT & ACCESSORIES MARKET **SEGMENT**

Based on Census Bureau information and data from the National Sporting Goods Association, **Marketdata estimates that the market for bowling equipment was worth \$138 million in 1987.** In 1982, the Census of Manufactures reported that factory shipments of **bowling balls** totalled \$36.7 million, with another \$81 million for **pins and other playing supplies**--for a combined total of \$117.7 million. Shipments of bowling equipment increased only 3.4% on an average yearly basis from 1972-1977. We feel that from 1982-87, roughly the same rate of growth occurred, to \$138 million by 1987.

The National Sporting Goods Association (NSGA) actually reported a 1.5% **decline** in sales of bowling accessories from 1984-86, to \$106 million in 1986. Therefore, if anything, Marketdata's estimate of 3.4% annual growth may be a little on the optimistic side. According to the NSGA, bowling accessories sales rank 20th of 29 sporting goods product areas encompassing: hunting & fishing, skiing, tennis, baseball, water skiing, billiards, basketball, racquetball, football, soccer, etc.

Over the past several years, cross-country skiing has grown fastest (+ 34.5%), followed by downhill skiing (+ 28%), billiards (+ 25%), baseball/softball (+ 22.2%), and exercise equipment (+ 22.1%). In pure dollar terms, pleasure boats and motors account for a \$7.42 billion market, nearly double the volume of the next largest category--recreational vehicles. Some of the \$3.5 billion athletic clothing market and the \$2.38 billion sport footwear market consists of bowling gear, but no specific breakdowns are available.

The "Miscellaneous" Sporting Goods Industry (SIC code 3949) had total manufacturer sales of \$3.76 billion in 1985, rising 11.5% from 1982 levels of \$3.37 billion. Sales volume stayed virtually the same in 1985. This "catch-all" Commerce Dept. industry does include sales of **bowling** equipment, along with other sporting goods such as golf, fishing, gym & exercise, and other equipment. The one category showing decent growth over this 1982-85 period (7.2% per year) was "playground, gym, and exercise equipment". This is, no doubt a result of the boom in the number of health spas, Nautilus centers, and home exercise equipment catering to the changing tastes of more health-sensitive Americans. The three other categories languished with no-growth or slow-growth.

Continued.....

As of 1982, there were 1,452 such "miscellaneous" sporting goods **companies** in the U.S., down from 1,757 firms only five years earlier. These firms operated 1,553 manufacturing **plants** and employed 47,800 workers. By 1986, as sales stagnated, the number of worker employed by the industry shrank to 42,800--a 19-year low. Peak industry employment was reached in 1972, at 61,000 workers. But, employment has been on a downtrend since 1978. These facilities had average payroll and materials combined costs representing 66 cents of each sales dollar in 1985, versus 74 cents back in the late 1960s and 70 cents in 1980. This is also a new low, a good sign. The average hourly earnings of **production** workers reached \$7.28 in 1985, up 8.2% from the prior year. Over the past ten years, production worker wages have climbed an average of 9.1% yearly.

One way to measure worker productivity is to compare wages (the cost of obtaining output) to the "value added" by manufacture (the output). Marketdata has done this by dividing value added per production worker man-hour by wages per man-hour, resulting in the "value added/wage ratio". This ratio has risen fairly steadily over the past 20 years, a good sign that suggests rising worker/plant productivity. This ratio has risen for seven consecutive years (1978-85), and stood at 4.41 as of 1985. All other things being equal, a higher ratio is preferred, and shows increasing productivity.

The **Specialization Ratio** is derived by the Census Bureau to measure the degree to which plants in this industry specialize in their "primary" product (miscellaneous sporting goods). This industry's ratio for 1982 stood at 97%, significantly higher than the 89% level recorded in 1972. The **Coverage Ratio** measures the share of product sales accounted for by **this** industry's plants. It stood at 95% in 1982, the highest level in 15 years (was 91% in 1967). This means that 95% of total miscellaneous sporting goods sales were accounted for by this industry's plants in 1982, as compared to 5% from **other** industries' plants.

One way to track imbalances in inventory levels is to look at the **Inventory/Shipments Ratio** (year-end inventory divided by average monthly sales). During recessions, sales will lag and inventories build up as consumers cut back on spending. Consequently, this ratio will rise. Such was the case during 1970 and 1974, both recession years. The ratio soared to its highest level in 20 years, to 4.60 during the strong downturn of 1974-75. This ratio returned to more normal levels by the mid-1970s, and stood at 2.64 during 1985, down from 2.86 in 1984. A **falling** inventory/shipments ratio shows that producers are running "leaner", keeping inventories in balance with sales volume.

Most of the industry's plants are small. Over 55% of them employed 9 workers or less in 1982, and 70% employed less than 20 people. Conversely, the larger plants accounted for the bulk of shipments, employment, and new capital investment. Plants employing 100-249 workers accounted for 27% of total shipments, those with 250-499 workers - another 23%, and those with 500-999 workers - another 12%.

Statistics were withheld for the largest plants, those employing 1000 workers or more.

As for the **financial health** of sporting goods manufacturers, the Robert Morris Associates, an industry financial statements publisher, **does** track this group as a whole. A composite income statement, balance sheet, and several key ratios are provided from 1981-86 later on in this section. About 40% of a typical sporting goods producer's assets are tied up in inventory, with another 23-29% in trade receivables. About 6% of assets are kept in the form of liquid cash. Long-term debt had been running at 14.5%-16.5% of total liabilities, but was cut to a five-year low of 12.5% by 1985.

Although operating expenses have risen in recent years, **gross** profitability remains good, typically about 34% of each sales dollar. Operating profits dropped to 5.2% of sales in 1985, and pre-tax profits rose slightly to 3.7%. Pre-tax profits relative to total assets rose strongly, from 6.2% in 1984 to 8.1% in 1985. And, the debt/net worth ratio fell back to 1.5, a good sign that debt levels are being well managed by manufacturers.

MAJOR BOWLING EQUIPMENT SUPPLIERS

Following is a listing of the major manufacturers of bowling equipment and accessories, by type product. Information was obtained from listings in the 1987 Thomas Register of Corporations, ads appearing in industry trade journals (Bowling Proprietor, Bowler's Journal), manufacturer catalogs and product literature. The list is by no means all-inclusive, merely an overview of some of the more prominent bowling equipment producers supplying the industry, which by their advertising exposure are judged to be amongst the key players in the market.

AUTOMATIC SCORING MACHINES

AMF - "Accusore"
Brunswick - "Colorvision Plus"
DBA Products - "Sparetronic"

BOWLING BAGS

AMF
Brunswick
Timely Product Corp.
Ebonite (KY)
Gladding Corp. (NY)

(27 total companies listed in Thomas Register)

BOWLING BALLS

AMF
Brunswick
Ebonite
Columbia Industries (TX)
Murrey International (CA)
Esses Distributing Co. (MO)

BALL CLEANING MACHINES

AMF
Brunswick

BALL HARDNESS TESTERS

Rex Gauge Co. (IL)

Continued.....

BUMPERS (for blocking gutters/junior bowling device)

DBA Products
Shur Score Bowling Systems (SC)

COMPUTER SOFTWARE

Applied Computer Systems (TN)
Bowling Computer Systems (MA)
Computer Sports Systems (TX)

LANE CONDITIONERS & CHEMICALS

Perry-Austen International (IA)
Pierce & Stevens Chemical Corp. (NY)

LANE MAINTENANCE MACHINES & PINSPOTTERS

AMF
Brunswick
Century International (CO)
Murrey International
R.J. Lynch Co. (NY)

BALL/BAG/SHOE LOCKERS

AMF
Brunswick
World Impex Bowling (FL)

BOWLING PINS

AMF
Brunswick
Bogert & Hopper Inc. (NY)
H. H. Stiles Co. (ME)
H. G. Winter & Sons (ME)
E. Parrella Co. (MA)
Vulcan Corp. (OH)

Continued.....

ATHLETIC CLOTHING

SHIRTS

AMF
Brunswick
Barker Uniforms (FL)
Hilton (Anthony Industries)
Karl Smith Textile Printing (FL)
King Louis Enterprises

SHOES

AMF
Brunswick
Dexter Shoe Co. (ME)
Gotham Shoe Mfg. Co. (NY)
Hyde Athletic Industries (MA)
Lind
Murrey International
Sports Dynamic Corp. (NJ)
World Impex Bowling

As one can readily see, AMF and Brunswick dominate the equipment and supplies market, but other companies such as Murrey International, King Louis, and World Impex bowling also capture a sizeable sales volume.

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

THE EQUIPMENT & ACCESSORIES SEGMENT
SPORTING GOODS SALES, RANKED BY TYPE (1984 & 1986)
(\$ MILLIONS)

Product	1984	1986 (Forecasts)	% Increase 1984-86
Pleasure boats, motors, access.	\$6,209.0	\$7,428.0	19.6
Recreational vehicles	4,082.0	3,807.0	-6.7
Athletic & sport clothing	3,431.5	3,503.0	2.1
Athletic & sport footwear	2,381.0	2,791.0	17.2
Bicycles & supplies	1,840.0	2,109.0	14.6
Firearms & hunting equip.	1,620.3	1,716.0	5.9
Athletic goods team sales	1,368.0	1,522.0	11.3
Exercise equipment	1,055.6	1,289.0	22.1
Camping equipment	699.3	775.0	10.8
Golf equipment	630.1	767.0	21.7
Fishing tackle	615.6	715.0	16.2
Snow skis-downhill	397.2	509.0	28.2
Tennis equipment	314.9	287.0	-8.9
Archery equipment	211.7	212.0	0.1
Baseball & softball equip.	153.0	187.0	22.2
Snowmobiles	140.0	170.0	21.4
Snow skis-cross cty.	104.8	141.0	34.5
Water skis	146.0	131.0	-10.3
Billiard equipment	100.0	125.0	25.0
Bowling accessories	107.6	106.0	-1.5
Ice skates & hockey equip.	89.2	85.0	-4.7
Skin diving/scuba equip.	77.9	84.0	7.8
Basketball equip.	62.4	82.0	-0.5
Racquetball equipment	71.1	65.0	-8.6
Football equipment	52.0	55.0	5.8
Roller skates	36.7	42.0	14.4
Table tennis equip.	29.0	30.0	3.5
Volleyball & badminton sets	27.0	30.0	11.1
Soccer equipment	33.5	29.0	-13.4
Total:	26,400.6	29,119.0	

SOURCE: National Sporting Goods Assoc., Marketdata Ranking

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

THE EQUIPMENT & ACCESSORIES SEGMENT

**MANUFACTURERS' PRODUCT SHIPMENTS, BY TYPE
SPORTING GOODS (1982-1985)**

	<u>Fishing tackle & Equip.</u>	<u>Golf Equipment</u>	<u>Playground, Gym & exercise equipment</u>	<u>Other/miscell. sporting & athletic goods*</u>	<u>Total miscell. sporting goods</u>
	----- (\$ Millions) -----				
1982	\$341.9	\$644.0	\$531.4	\$1,643.5	\$3,160.8
1983	331.6	655.5	678.2	1,461.3	3,126.7
1984	339.9	651.0	712.4	1,580.9	3,284.2
1985	327.3	664.1	646.5	1,604.1	3,242.1

ANNUAL PERCENT CHANGE IN SHIPMENTS

1983	-3.0	1.8	27.6	-11.1	-1.1
1984	2.5	-0.7	5.0	8.2	5.0
1985	-3.7	2.0	-9.2	1.5	-1.3

* THIS CATEGORY INCLUDES BOWLING EQUIPMENT

-----1982 & 1977 SALES OF BOWLING EQUIPMENT -----

Bowling	1982	\$36.7	1.853 mill. units
Balls	1977	34.6	2.599 "
Other Playing			
Supplies, Incl.	1982	81.0	DW
Pins	1977	66.1	DW

DW - Data withheld to avoid disclosure of individual companies

SOURCE: 1982 Census of Manufactures, Marketdata & chg. Calculations

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**THE EQUIPMENT & ACCESSORIES SEGMENT
GENERAL STATISTICS FOR MISCELLANEOUS SPORTING
GOODS MANUFACTURING PLANTS**

	NUMBER OF COMPANIES	NUMBER OF PLANTS	INDUSTRY EMPLOYMENT	VALUE OF SHIPMENTS	END-OF-YEAR INVENTORIES
			(Thous.)	(\$ Millions)	(\$ Millions)
1967	1304	1366	45.2	\$853.3	\$218.1
1968	NA	NA	46.2	929.6	234.6
1969	NA	NA	49.2	1,019.0	268.8
1970	NA	NA	44.9	956.4	257.6
1971	NA	NA	46.0	1,074.2	279.7
1972	1441	1553	61.0	1,729.2	377.9
1973	NA	NA	57.6	1,613.4	422.7
1974	NA	NA	61.9	1,891.8	725.4
1975	NA	NA	54.5	1,993.4	512.2
1976	NA	NA	60.0	2,303.4	555.4
1977	1757	1878	57.2	2,425.1	579.1
1978	NA	NA	59.7	2,575.9	631.4
1979	NA	NA	56.0	2,812.2	621.7
1980	NA	NA	53.9	3,055.3	685.2
1981	NA	NA	52.4	3,249.0	736.2
1982	1452	1553	47.8	3,376.8	796.2
1983	NA	NA	44.8	3,333.9	761.7
1984	NA	NA	46.7	3,765.3	897.4
1985	NA	NA	42.8	3,766.1	827.4

NA - DATA NOT AVAILABLE

SOURCE: Census & Annual Surveys of Manufactures

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

**THE EQUIPMENT & ACCESSORIES SEGMENT
SELECTED OPERATING RATIOS FOR MISCELLANEOUS
SPORTING GOODS MANUFACTURING PLANTS**

	COST OF PAYROLL & MTLs. AS % VALUE OF SHIPMENTS	PRODUCTION WORKERS AS % TOTAL EMPLOYMENT	AVG. HOURLY EARNINGS OF PRODUCTION WORKERS	VALUE ADDED PER PRODUCT. WORKER HOUR
	(Percent)	(Percent)	(Dollars)	(Dollars)
1967	74	82	\$2.22	\$6.52
1968	74	82	2.34	6.82
1969	75	82	2.43	6.92
1970	71	81	2.56	7.62
1971	70	81	2.71	8.56
1972	72	80	3.12	9.84
1973	71	81	3.12	10.26
1974	72	82	3.48	11.49
1975	69	80	3.82	12.79
1976	70	81	4.1	14.28
1977	70	81	4.17	14.83
1978	73	81	4.51	15.14
1979	70	79	4.76	17.27
1980	70	78	5.13	19.95
1981	69	77	5.49	21.83
1982	67	75	6.29	26.26
1983	67	75	6.51	27.88
1984	68	75	6.73	29.58
1985	66	76	7.28	32.09

SOURCE: Census & Annual Surveys of Manufactures

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

THE EQUIPMENT & ACCESSORIES SEGMENT

**MISCELLANEOUS SPORTING GOODS MANUFACTURING PLANTS
STATISTICS, BY PLANT EMPLOYMENT SIZE (1982)**

PLANTS WITH AN AVERAGE OF:	NO. OF PLANTS	NO. OF EMPLOYEES (Thous.)	VALUE OF SHIPMENTS (\$ Mill.)	NEW CAPITAL INVESTMENT (\$ Mill.)
1-4 Employees	603	1.0	\$64.1	\$0.9
5-9 "	259	1.8	100.1	1.4
10-19 "	231	3.2	189.4	3.4
20-49 "	246	7.5	465.9	9.2
50-99 "	101	7.0	437.4	7.6
100-249 "	75	12.0	918.1	18.3
250-499 "	32	10.2	788.8	22.7
500-999 "	4	5.1	413.1	13.1
1000-2499 "	2	*	*	*
TOTAL:	1553	47.8	3,376.8	76.5

* Data withheld to avoid disclosure of individual companies.

SOURCE: 1982 Census of Manufactures

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

THE EQUIPMENT & ACCESSORIES SEGMENT

**LABOR PRODUCTIVITY ANALYSIS, SPECIALIZATION &
COVERAGE RATIOS OF MISCELLANEOUS SPORTING GOODS
MANUFACTURING PLANTS**

	Production Worker Wages Per Man-Hour (Dollars)	Value Added Per Prod. Worker Man-Hour (Dollars)	Value Added Wage Ratio	Specialization Ratio*	Coverage Ratio**
1967	\$2.22	\$6.52	2.93	95	91
1968	2.34	6.82	2.91	NA	NA
1969	2.43	6.92	2.84	NA	NA
1970	2.56	7.61	2.97	NA	NA
1971	2.71	8.56	3.15	NA	NA
1972	3.12	9.84	3.15	89	94
1973	3.12	10.26	3.28	NA	NA
1974	3.48	11.49	3.30	NA	NA
1975	3.82	12.79	3.34	NA	NA
1976	4.10	14.28	3.48	NA	NA
1977	4.17	14.82	3.55	95	94
1978	4.51	15.14	3.35	NA	NA
1979	4.76	17.27	3.62	NA	NA
1980	5.13	19.85	3.86	NA	NA
1981	5.49	21.83	3.97	NA	NA
1982	6.29	26.26	4.17	97	95
1983	6.51	27.88	4.28	NA	NA
1984	6.73	29.58	4.39	NA	NA
1985	7.28	32.09	4.41	NA	NA

NA - Data not available these years

* Measures degree to which plants specialize in their primary product

** Measures % of product sales accounted for by this industry's plants.

**SOURCE: Census & Annual Surveys of Manufactures,
Marketdata Calculations**

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MAI

THE EQUIPMENT & ACCESSORIES SEGMENT

SPORTING GOODS MANUFACTURERS INVENTORY ANALYSIS
INVENTORY/SHIPMENTS RATIO *

	<u>INVENTORY SHIPMENTS RATIO *</u>	<u>VALUE OF YEAR-END INVENTORIES</u>	<u>AVERAGE MONTHLY SHIPMENTS</u>
1967	3.07	218.1	71.1
1968	3.03	234.6	77.5
1969	3.17	268.8	84.9
1970	3.23	257.6	79.7
1971	3.13	279.7	89.5
1972	2.62	377.9	144.1
1973	3.14	422.7	134.5
1974	4.60	725.4	157.7
1975	3.08	512.2	166.1
1976	2.89	555.4	192.0
1977	2.86	579.1	202.1
1978	2.94	631.4	214.7
1979	2.65	621.7	234.4
1980	2.69	685.2	254.6
1981	2.72	736.2	270.8
1982	2.83	796.2	281.4
1983	2.74	761.7	277.8
1984	2.86	897.4	313.8
1985	2.64	827.4	313.8

* Derived by dividing year-end inventory value by avg. monthly shipments.

SOURCE: Calculated by Marketdata, From 1982 Census of Mfrs

THE BOWLING CENTERS, PRO SHOPS & ACCESSORIES MARKET

COMPOSITE FINANCIAL STATEMENTS-EQUIPMENT PRODUCERS

(SPORTING & ATHLETIC GOODS)

ALL ASSET SIZES-GROUP AS A WHOLE

HISTORICAL DATA - 9 MONTHS (JUNE 30-NEXT MARCH 31)

	1981	1982	1983	1984	1985	1986
NO. OF STATEMENTS	129	111	134	105	113	108
BALANCE SHEET						
ASSETS	% of Total					
Cash & equivalents	5.7	5.7	6.7	5.5	6.0	4.4
Net trade receivables	27.6	25.2	23.3	26.6	29.0	26.7
Inventory	39.8	40.5	39.6	39.6	39.6	39.8
All other current	1.7	1.6	2.2	1.0	1.3	1.9
Total current	74.8	73.0	71.7	72.7	75.9	72.7
Net fixed assets	18.0	20.1	20.6	19.1	18.0	19.8
Net intangibles	1.4	1.7	1.8	1.4	1.2	1.6
All other non-current	5.8	5.1	6.0	6.9	4.9	5.9
LIABILITIES						
Short term notes payable	14.4	12.9	13.7	14.7	14.2	14.8
Curr. Mat.-LT debt	3.0	3.2	3.1	2.6	2.8	2.7
Trade payables	15.5	14.1	11.1	14.0	13.2	13.1
Income taxes payable	---	---	---	---	1.7	1.2
All other current	10.5	10.6	10.8	11.8	10.0	7.9
Total current	43.5	40.9	38.7	43.0	41.9	39.7
Long term debt	14.8	16.6	14.9	14.5	12.5	14.5
Deferred taxes	---	---	---	---	0.7	0.6
All other non-current	2.4	3.5	3.4	3.2	2.1	2.1
Net worth	39.3	39.1	43.0	39.3	42.7	43.0
INCOME STATEMENT						
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Gross profit	31.5	34.1	33.1	34.0	34.0	34.4
Operating expenses	26.2	27.4	26.7	28.0	28.8	29.4
Operating profit	5.4	6.7	6.3	6.0	5.2	5.0
All other net exp.	2.2	2.7	3.0	2.4	1.5	1.9
Profit before taxes	3.1	3.9	3.3	3.5	3.7	3.1
RATIOS						
Current	1.8	1.8	2.0	1.8	1.8	1.8
Debt/worth	1.7	1.6	1.5	1.7	1.5	1.4
% Prof.bef.tax/tot.assets	5.0	6.5	5.2	6.2	8.1	4.9
Sales/total assets	1.7	1.8	1.7	1.7	1.8	1.8

SOURCE: Robert Morris Associates, Annual Financial Statements

BOWLING EQUIPMENT SUPPLIER COMPANY PROFILES & MARKET DEVELOPMENTS

AMF BOWLING PRODUCTS

AMF Bowling was recently purchased for \$223 million by an investor group from Richmond, VA. The group consisted of: Frank E. Genovese, Beverley Armstrong, James B. Farinholt Jr., William H. Goodwin Jr., E. Bryson Powell, AMF Union Machinery, a former subsidiary of AMF, Inc., and the MLB Corp., owner and operator of 23 bowling centers in the Southeast. With the ownership transfer, the firm was renamed AMF Bowling Companies Inc.

Company headquarters were located in Westbury, L.I., NY prior to moving to Richmond. 150 employees worked there, and many were relocated by the company. The company operates 110 bowling centers worldwide and has equipment installed in nearly 50% of all centers.

AMF entered the bowling business in 1946, by developing and introducing the automatic pinspotter. President Genovese states: "The future as we see it is linked to the modernization of bowling centers. League bowlers and occasional players and everyone in between want modern centers."

AMF manufactures the 82/70 MP pinspotter, Angle bowling balls and bags, shirts, shoes, **Amflite** pins, the **AccuTrac** front desk console, **Accudesk**, and **AccuScore** automatic scoring systems, **Accubar** liquor control systems, **Spectrum** lane masks in two styles and red/yellow and blue/green combinations, ball returns and seating, lockers, scoring tables/projectors, and ball cleaning machines. AccuScore provides computer graphics, 8 multi-color displays, and VCR/video camera hook-up capability for live TV/scores split screens.

The company also provides a **Professional Facilities Design** service, to assist proprietors in modernizing their centers, with the ultimate goal of maximizing profit potential of every square foot of space and increasing revenue producing capabilities. This service consists of three facets.....Planning, Procurement, and Execution - available separately or together. AMF stresses that design **does** affect consumer behavior--since the proprietor is marketing bowling **and** all that is associated with it; food and beverage services, pro shop and other related services. Design affects perception of the center, and can prompt customers to bowl faster, more often and participate more in lounge and food services, while discouraging them from abusing the facility.

One such example of this modernization service is East Meadow, New York's East Meadow Bowl, a "Leisureland Center" that was redesigned from the ground up, from June 1985 to February 1986. AMF claims that East Meadow Bowl now enjoys the highest lineage (as high as \$2.25/game), greatest profits and lowest maintenance costs of all Leisureland bowling centers. Every aspect of the center was modernized, from the exterior and sign to the front desk, snack bar, lounge, children's playroom, pro shop, seating, ball/coat racks, computerized scorers, carpeting, and locker area.

BRUNSWICK CORP.

Brunswick Corp., headquartered in Skokie, Illinois, manufactures leisure, defense and industrial products. Leisure products include: Brunswick bowling recreation centers and equipment, Mercury, Mariner, MerCruiser and Quicksilver marine products, and Zebco fishing tackle. The firm also makes pumps, valves, filtration systems, and seals for a variety of applications. Sales were estimated by the Value Line Investment Survey to reach \$2.81 billion in 1987, up nearly 64% over 1986 levels, due to the December 1986 acquisition of the Sea Ray and Bayliner motorboat companies. These companies were acquired for \$671 million in cash plus 6 million (adjusted) shares, and this move makes Brunswick the world's largest supplier of pleasure boats.

Research and development spending represented 2.7% of sales, and the company has 26,800 total employees. Chairman Jack Reichert estimated that Brunswick earned \$41-43 million, or 46-48 cents per share, on sales of \$765 million during the third quarter of 1987. Net income amounted to \$27.4 million for the year-earlier period. All areas of business were stated to be doing well, and even **without** the Bayliner and Sea Ray acquisitions, sales would have risen about 28%. Following is a financial profile of Brunswick, from 1977 to 1987.....

	<u>SALES</u> (\$ Million)	<u>NET PROFIT</u>	<u>NET PROF. MARGIN</u>	<u>CAPITAL INVEST.</u> (\$ Mill.)	<u>RETURN ON EQUITY</u>
1977	\$1,000.4	\$37.1	3.7 %	\$ 57	10.0
1978	1,126.4	46.9	4.2	81	11.5
1979	1,257.3	51.4	4.1	71	11.1
1980	1,199.7	23.9	2.0	60	4.5
1981	1,085.2	66.8	6.2	51	8.3
1982	1,068.2	19.2	1.8	40	NM
1983	1,216.2	66.1	5.4	48	18.7
1984	1,468.1	94.2	6.4	72	22.4

Continued.....	SALES	NET PROFIT	PROFIT MARGIN	CAPITAL INVEST.	RETURN ON EQUITY
1985	1,538.5	100.3	6.5	93	20.6
1986	1,717.4	110.3	6.4	199	17.8
1987 Est.	2,810.0	146.0	5.2	NA	NA

NM - Not meaningful

NA - Information not available

The **Leisure Services** division, which includes bowling products/services, made the following contributions to sales and operating margins (after depreciation) for 1984 to 1987.....

	SALES	OPERATING MARGINS
1984	\$110.2	9.6 %
1985	111.6	9.6
1986	114.6	14.6
1987 Est.	120.0	15.0

Brunswick's bowling business posted losses last year, but is now profitable. Mr. Reichert noted that international sales were up significantly. A sharp increase in sales of bowling equipment pared the seasonal first-quarter loss for the leisure division by more than 80%. Steady growth in profits for leisure services continues to result from its replacement of marginal bowling centers with fewer, but larger and upgraded centers in growing communities.

Recently, Brunswick came out with a promotion named **The Leadership Series** - a limited edition collection of special leisure products. Large ads appeared in the Wall Street Journal, Business Week, and other media. Regarding bowling, the company is offering a **Lifetime Pass**, good for unlimited open bowling, at no charge, in any full-service Brunswick Recreation Center. A limited number of 500 passes will be sold at \$1,000 each. A special Olympian bowling bag and black urethane ball are also being sold, along with a commemorative medal and a \$50 donation in the buyer's name to Team USA. A limited number of 500 ensembles, personalized with the buyer's name, will be available for \$500 each. Other promotions in the Leadership Series pertain to Bayliner 17' boats, Pachanga 32 Sea Ray boats, billiard tables, custom golf clubs, Zebco/Quantum fishing reels, and the Seebold Eagle Speedboat.

Brunswick also markets the Colorvision-Plus automatic bowling scoring system, Action Set masking units, Omni seating, and Twinline II ball racks.

DBA PRODUCTS CO.

DBA, headquartered in Lake Bluff, Illinois, manufactures "Glancer" Cushions, gutter "bumpers" used for juniors learning to bowl. These bumpers deflect the ball back onto the bowling lane, enabling the very young bowler to throw less gutter balls, knock down more pins, make bowling more enjoyable and less frustrating when starting out, thereby increasing the likelihood that the child will continue with the game, eventually moving on to become a regular league or open bowler. DBA products are available direct from the company and via distributors.

EBONITE

Ebonite is based in Hopkinsville, Kentucky, and is a long-time manufacturer of bowling balls. In a recent advertisement, the firm highlighted "houseballs" provided for patron's use in bowling centers, at a price of \$19.45 apiece. Ebonite houseballs carry a full one year warranty, delivery within 1 week, engraving of the center's name on each ball (no limit on number of letters), and come in 6, 7, 8, and 9 pound weights. These features were stated to be superior to the competition (90 day warranty, longer delivery times, engraving limits of 15 letters, etc.). These lighter weight balls pertain mostly to juniors, women, and houseballs, but the firm offers heavier weight balls for older bowlers, men, etc. as well.

FAIR LANES, INC.

In December 1986, Fair Lanes (Baltimore, MD) was sold to an investment group for \$126 million in cash and stock in BTR Realty (Baltimore, MD), a development firm where Fair Lanes had a 47% share. Fair Lanes is the largest independent bowling chain in the U.S. and operates 107 bowling centers in 18 states and Puerto Rico.

The purchasers included Northern Pacific (New York), which invests in management buyouts, and 12 members of of Fair Lanes senior management that had a 12% share, with an option to acquire another 4.5%. The buyers assumed \$50 million in long-term debt in addition to purchasing assets in a sale that involved payment of \$9.13/share for a minimum of 76.7% of the shares outstanding.

Northern Pacific exercised its option to acquire an additional 549,781 shares from a principal stockholder, which gave it an 83.1% interest in Fair Lanes.

KING LOUIS ENTERPRISES

King Louis Enterprises, based in Grand View, Kansas, is a privately-held company, and does not disclose financial or other information in the form of annual or other reports. The company is now 40% owned by Federal Resources (Salt Lake City, UT), which bought the stake for \$5 million from a private investor on January 29, 1987. King Louis owns 22 of the 37 bowling centers it operates, mostly in the Midwest and Southwest. It also has sportswear factories in Paola, Kansas and Adair, Oklahoma.

The company was founded in 1937, and sells sportswear apparel: bowling shirts, (personal, team and individual), a line of Pro/Fit activewear, sold through local pro shops and King Louis dealers. The firm also sells caps, 30 different style jackets and vests, decorative emblems, and sweaters. Its products are endorsed exclusively by the Professional Bowlers Association.

King Louis sells 25 different shirt brands, including the: "Highlander" (\$19.95), "Rugged Rugby" (\$29.95), "Fifties Forever" (\$24.95), "Viking" (\$20.95), "Capri" (\$18.95), "Open Player" (\$16.95), "Contemporary Classic" (\$16.95), "The Winner's Choice" (\$14.95), "The Spectator" (\$17.95), "The Europa" (\$17.95), "The Grand Prix" (\$17.95), "The Concorde" (\$16.95), "The Dynamic Duo" (\$17.95), "The Sliverado" (\$26.95), "The Starfire" (\$16.95), "Fun Lovin Stripe" (\$17.95), "Sensational Slipover" (\$13.95), "Kingston" (\$18.95), "Bold & Breezy Buttdown" (\$16.95), "Run-A-Bout" (\$15.95), "The Profile" (\$17.95), "Newcomer Knit" (\$16.95), "The Personality Shirt" (\$16.95), "Piped-In Stripe Knit" (\$16.95), "The Stripe Connection" (\$17.95), and the "King Louis Specials" (\$12-15.95).

The company also sponsors the annual Pro Bowlers' Tour King Louis Open tournament, televised by ABC.

SHOWBOAT, INC.

Showboat, Inc. owns and operates one casino hotel in Las Vegas and one in Atlantic City, NJ. The Las Vegas facility has 495 rooms, a 40,000 sq. ft. casino, a **106-lane bowling center**, and an 18-hole golf course. The

Continued.....

Atlantic City facility (opened April 1987) has 516 rooms, a 60,000 sq. ft. casino, and a **60-lane bowling center**, with ample room for addition of more lanes in the future. Showboat has about 4,000 employees, and is headquartered in Las Vegas.

Showboat took a \$23.3 million pretax charge in the March, 1987 quarter, to cover higher-than-expected preopening costs for its new Atlantic City facility. In April, its first month of operations, this facility turned in an impressive performance, booking nearly \$20 million in gross win. It also captured more share of the market than its proportion of casino floor space, and led in slot wins. Value Line expected the Atlantic City Showboat to post a small operating loss in fiscal 1987, and through 1989-1991, with planned new capacity absorbed, no new building in sight, and more adequate accommodations, parking, and transportation, expects that earnings may rise fast enough to support "above-average 3-5-year stock price appreciation".

Following is a 10-year financial summary of Showboat, according to Value Line.....

	<u>REVENUES</u>	<u>NET PROFIT</u>	<u>NET PROFIT MARGIN</u>
	(\$ Millions)		
1977	\$ 27.4	\$4.0	14.6 %
1978	30.5	4.9	16.2
1979	32.5	5.1	15.8
1980	32.8	4.9	15.0
1981	38.9	5.8	14.9
1982	44.1	5.6	12.7
1983	49.4	6.3	12.7
1984	48.3	4.9	10.2
1985	47.3	4.9	10.4
1986	50.2	5.8	11.5
1987 Est.	110.0	(6.0)	NM

NM - Not meaningful

COMPUTER-SEARCHED ABSTRACTS OF BOWLING MARKET DEVELOPMENTS

During October, 1987 Marketdata contracted the services of a local University center for business research, to perform a custom search of several business databases. The Predicast "U.S. Forecasts" and "PROMPT" databases were searched by SIC code and key words, for articles published about the bowling industry within the past year. No formal **forecasts** were found, since this industry is generally not tracked by stock brokerage houses or other industry analysts. However, several articles **were** located within the PROMPT (Predicast Overview Of Markets & Technology) database, and are provided in this section.

Articles were found that deal with the sale of the Fair Lanes Corp., AMF, and other topics. The publication's name, date the article was published, and page number is given, in case the reader wants further information and would like to track down the full article.

Such business database searches are useful for small businesses. Usually, for \$50-100 one can obtain comprehensive, up-to-date, and very specific information about any market, industry or topic. And, you do **not** need your own computer system to access the database. A good University library's staff can perform the search for you, with delivery of the abstracts within 2 weeks. Abstracts can be printed "on-line" (as you wait) or "off-line" (in 1-2 weeks, printed on better paper-not computer bar-type stock. Off-line abstracts usually cost about 50 cents each (depending on the database searched), on-line is cheaper. You also pay for the connect time and library staff time to get into the database. **All** costs combined still run \$50-100, unless a very large number of abstracts are desired.

DIALOG

DIALOG File 16: PROMT - 72-87/OCT, WEEK 4 (Copr. Predicasts Inc. 1987)

Vanier Grapics	110.0	1,000
Howard Publications	100.0	1,900
Mitsubishi Foods	100.0	836
Electric Supplies Distributing	100.0	240
George Wimpey	96.0	200
McMahans Carlsbad	92.4	700
Sun Belt Distributing	80.0	400
Atlas Hotels	78.5	3,000
Hawthorne Machinery	71.0	400
Frazee Lift Trucks	64.0	650
Leisure Time Sports	62.2	150
Moceri Produce	60.0	175
Coast Citrus Distributors	60.0	100
Anco Intl	58.7	160
Yellow Cab of San Diego	50.7	N/A
Sanyo E&E	48.4	400

1544379

AMF Bowling is moving headquarters to Virginia.

Newsday January 7, 1987 p. 49

AMF Bowling Products (Westbury, New York) will move to Richmond, Virginia, where its new parent is located. The firm will relocate many of the 150 workers employed at the Long Island, New York, headquarters; officials estimate that fewer than 50 will actually move. The firm operates over 110 bowling alleys worldwide and has equipment in almost 50% of all bowling alleys. The new Richmond-based parent is a group of 5 investors who bought the firm from Minstar in 11/86 for \$223 mil. The 5 are execs of Major League Bowling, which runs 23 bowling alleys in the Southeast. Minstar, headed by corporate raider I Jacobs, bought AMF (White Plains, New York), AMF Bowling's parent, in 7/85 in a hostile takeover deal. Dozens of layoffs followed the Minstar purchase.

1540885

Buyout of Fair Lanes by investor group is completed; no major changes foreseen.

Sun (Baltimore, MD) December 31, 1986 p. D:1

Fair Lanes (Baltimore, Maryland) has been sold to an investment group for \$126mil in cash and stock in BTR Realty (Baltimore, MD), development firm, where Fair Lanes has a 47% share. Fair Lanes, the largest independent bowling chain in the US, will continue having its corporate offices with no changes in suppliers and customers to be made. The purchasers of Fair Lanes include Northern Pacific (New York), which invests in management buyouts, and 12 members of Fair Lanes' senior management, which has an 18% shr, and an option to acquire another 4.5%. The purchasers are assuming \$50 million in long-term debt in addition to purchasing assets in a sale that involves payment of \$9.13/shr for a minimum of 10.54 shares or 76.7% of the shares Fair Lanes has outstanding. Northern Pacific will exercise its option to acquire an addition 549,781 shares from a principal stockholder, which would give it an 83.1% interest in Fair Lanes.

DIALOG

DIALOG File 570: PTS MARS - 84-87/Oct 28 (Copr. Predicasts Inc. 1987)

0247263

US NewsWatch: The National Bowling Council

Advertising Age October 19, 1987 v. 58 no. 45 p. 4

Garfield-Linn (Chicago) is handling a 4-wk, multi-media test ad campaign for The National Bowling Council (Washington, DC) targeting 55+ yr-olds living in Orlando, FL; Phoenix, AZ, and Rochester, NY. The campaign breaks on 10/26/87 in Kansas City, MO.

0240015

National Bowling Council campaign strikes out after new enthusiasts.

Adweek Midwest Edition August 13, 1987 v. 28 no. 36 p. 4

The National Bowling Council will launch a TV spot in 50 markets featuring spokesperson Mary Lou Retton the week of 8/3/87 to support its first Bowling in the USA promotion. The spot positions bowling as a fun activity and shows a variety of people playing 'America's first great sport.' Each spot is tagged with the names of participating bowling centers in the region. The spot is part of a yearlong campaign, budgeted at \$4mil via Garfield Linn, that also features radio, print and direct mail as well as a scratch card sweepstakes with prizes including trips to the 1988 Summer Olympics. The campaign is designed to give the sport a more contemporary image, particularly in 1988 when the sport becomes a non-medal trial during the Summer Olympics. In 8/88, the Council will launch a network TV campaign using different creative tied to the Olympics. The Council is also planning to test a senior citizen promotion called Swingtime bowling featuring Big Band music, free refreshments and low priced games for bowlers aged 55+. The promotion will be supported by TV and print ads.

SLOGAN: America's first great sport

SPOKESPERSON: Mary Lou Retton

0219210

Worth Noting: National Bowling Council

Chicago Sun-Times (IL) March 2, 1987 v. 41 no. 19 p. 51

National Bowling Council named Garfield-Linn & Co to handle a two-year promotional program, according to columnist N Millman. Bowling will be included in the 1988 Summer Olympics competition.

0217162

Accounts moving: National Bowling Council

Advertising Age February 23, 1987 v. 58 no. 8 p. 8

The National Bowling Council (Washington, DC) moved its \$4.5mil budget ad account to Garfield-Linn (Chicago) from Eisner & Assoc (Baltimore, MD). The account includes TV, print and promotions.

DIALOG

DIALOG File 16: PROMT - 72-87/OCT, WEEK 4 (Copr. Predicasts Inc. 1987)

Fair Lanes (Baltimore, Maryland) may be acquired by a management-led investor group for about \$125mil. The investor group includes Northern Pacific and Sr management from Fair Lanes. The company operates 107 bowling centers in 18 states and Puerto Rico and is the largest independent bowling center operator in the US. The company holds a 47% stake in BTR Realty and owns the English Company restaurant chain. Northern Pacific is part of the Trump Group, owned by E Trump and J Trump, which specializes in investing in leveraged buyouts. The deal may be completed before 12/31/86, allowing shareholders to use current tax advantages prior to new laws that take affect 1/1/87. The acquiring group must obtain 66.6% of the company's outstanding stock and shares not acquired by the group will be acquired in a merger in which each share of Fair Lanes will be exchanged for 1.3 shares of BTR. The deal will be handled by Drexel Burnham Lambert.

1516438

Fair Lanes Inc Agrees to Sale.

Washington Post (DC) November 29, 1986 p. F:1

Fair Lanes (Baltimore, Maryland) will be acquired by a management led group in a \$95mil leveraged buyout. The company is the largest chain of independent bowling centers in the US and will be taken private after the deal is completed. The acquiring group includes members of the chains Sr management and the Northern Pacific, which is owned by the Trump Group, which specializes in investing in LBOs. The tender offer for the company will be handled by Drexel Burnham Lambert. Fair Lanes, with \$118 million in assets, holds a 47% stake in BTR Realty (Baltimore, Maryland), and each share of Fair Lanes stock not tendered will be exchanged for 1.304 shares of BTR. Fair Lanes operates 107 bowling centers in 18 states and in Puerto Rico and owns the 12 restaurant English Company chain.

DIALOG

DIALOG File 16: PROMT - 72-87/OCT, WEEK 4 (Copr. Predicasts Inc. 1987)

1530652

Fair Lanes' \$95 million question mark.

Baltimore Business Journal (MD) December 21, 1986 p. 1,4+

Fair Lanes (MD) will be acquired by Northern Pacific for \$95mil and will effectively become a private company. Fair Lanes is one of the largest US independent bowling chains. The acquisition will permit it to pursue a more aggressive expansion program and will take advantage of the tax reform that goes into effect in 1/87. Fair Lanes posted a 1986 operating profit of \$11.17 mil. Sales are forecast to rise to \$13.4 million in 1987 and to \$17.7 million in 1991. Fair Lanes operates 107 bowling centers in 18 states and Puerto Rico. Of this group, it owns 65 centers and leases 42. Fair Lanes ranks 2nd among bowling chains behind Brunswick. It also owns 47% of BTR Realty, a developer of small- to medium-sized retail malls in 6 states. Its English Company division operates a restaurant chain. Fair Lanes also holds 84% of Environmental Satellite, which processes, markets and distributes satellite weather pictures and conventional weather to television and other industries. Northern Pacific is an indirect, wholly-owned subsidiary of Maricorp, the latter of which will merge into Fair Lanes after the purchase is completed. Maricorp is part of the Trump Group, a management buyout investment company that is not connected with D Trump of Trump Tower fame.

1522751

BUSINESS BRIEFS; FAIR LANES.

Wall Street Journal 3 Star, Eastern (Princeton, NJ) Edition December 5, 1986
p. 42

Fair Lanes' (Baltimore, Maryland) management group making \$96mil tender offer has obtained funding. The offer, backed by Northern Pacific, a firm that specializes in management buyouts, is for 10,544,549 common shares, or 77% of Fair Lane's total. The group is obtaining \$48,250,000 from a bank and an additional amount from Northern Pacific.

1521881

Fair Lanes Agrees to Its Acquisition In \$96 Million Pact.

Wall Street Journal 3 Star, Eastern (Princeton, NJ) Edition December 1, 1986
p. 34

Fair Lanes will be acquired by senior management and investors for \$96mil. The investor group will make a tender offer for 10,544,549 Fair Lanes common shares, about 77% of the total outstanding, at \$9.13/shr. The offer is conditioned on receiving 8,897,000 tenders. Under terms, each Fair Lanes share that isn't tendered would be exchanged for 1.3043 share of BTR Realty, a real estate firm that is 47% owned by Fair Lanes. The group group has acquired options for 37% of Fair Lanes. In the year ended 6/30/86, Fair Lanes earned \$6.5 mil, or \$0.49/shr, on revenue of \$94.6 mil.

1519418

Investor group to make bid for Fair Lanes.

Sun (Baltimore, MD) November 29, 1986 p. B;16

(cont. next page)

DIALOG

DIALOG File 16: PROMT 72-87/OCT, WEEK 4 (Copr. Predicasts Inc. 1987)

1651778

Set the Pins.

Wichita Eagle-Beacon (KS) June 1, 1987 p. D:3

Joma Bowling (Wichita, Kansas) expects 1987 revenues to rise 9% over \$2.2mil in gross sales in 1986. The company has increased prices and conducted more aggressive marketing to attract customers. Joma was formed by J Crum and had been built into a company with 40 bowling centers in 13 states, but in fall 1986, Crum sold all but 3 of his Wichita, Kansas, centers. Crum decided that he did not want to operate a large company, since the demands on management are too great. Joma Bowling will open a 4th Wichita facility at Northrock Center to open in summer 1987. Northrock facility will also have a miniature golf course, a 6-screen movie theater complex and an art-deco diner. Despite the cutbacks in Crum's bowling center operations, Joma Bowling still will operate 4 Wichita facilities, more than any other single operator. Although Wichita is a strong bowling market, with some 300+ lanes, some critics think that the 4th center will oversaturate the market. Crum recognizes that with increased competition for leisure time and expenditure that increased advertising and promotion is needed, and also thinks that operators of recreational facilities must provide a welcoming, clean atmosphere for customers.

1597015

Utah firm buys into King Louie.

Kansas City Times (MO) March 21, 1987 p. E:1

King Louie Enterprises (Grandview, Kansas) is now 40% owned by Federal Resources (Salt Lake City, UT), which bought the stake for \$5 million from a private investor on 1/29/87. King Louie owns 22 of the 37 bowling alleys it operates, mostly in the Midwest and Southwest. It also has sportswear factories in Paola, Kansas, and Adair, Oklahoma. Federal, a mining firm, lost \$7.5 million on operating revenue of \$2.5 million in 5/83-10/86. The King Louie purchase is part of Federal's plan to diversify. Federal has managed to lower its debt to \$809,493 on 3/15/87 vs \$5.5 million in 1981.

1557325

San Diego Business Journal (CA) December 29, 1986 p. 62

25 Largest Private Companies in San Diego

CA: Top 25 private companies in San Diego, 1985 (\$ mil) <

Companies	Gross sales	Employee total.
Pacific Scene	350.0	400
Copley Press	230.0	3,500
Central Savings & Loan	213.0	500
La Mesa RV Center	210.0	1,100
Big Bear Super Markets	170.0	1,100
Four Winds Enterprises	166.0	700
Nielsen Construction	165.0	400
University Industries	155.0	1,208
Southwest Marine	115.0	1,100

(cont. next page)

MAJOR BOWLING CENTERS - NATIONWIDE
(Net worth \$500,000.00 or more)*

300 Inc.
N 8108 Division, Spokane, WA 99208

421 Realty Co. Inc.
7420 N. Michigan Road, Indianapolis, IN 46268

5 Star Lanes Inc.
2666 Metropolitan Pkwy., Utica, MI 48077

A-T Industries Inc.
10300 SW Greenburg Road, Portland, OR 97223

Abbe Lanes Inc.
409 Western, Abingdon, IL 61410

Airway Lanes Inc.
5626 Portage Road, Kalamazoo, MI 49002

Allied Bowling Lanes Inc.
148 Lincoln Highway East, Vallejo, CA 94591

American Recreation Centers Inc.
Suite 300 9261 Folsom Blvd., Sacramento, CA 95860

Anaconda Copper City Bowl Inc.
1500 E. Park, Anaconda, MT 59711

Arena Bowlerama
4700 W. 103rd Street, Oak Lawn, IL 60453

Arena Enterprises Inc.
11025 Southwest Highway, Palos Park, IL 60465

Arizona Cafe
1925 Bacon Street, San Diego, CA 92107

Atomic Bowling Lanes Inc.
E 27 Augusta, Spokane, WA 99207

Ballinger Bowl Inc.
20202 Ballinger Road NE, Seattle, WA 98155

Bar-Don Lanes
3700 N. Nichols Street, Easton, PA 18042

Bay Counties Investment Inc.
3501 Village Drive, Castro Valley, CA 94546

Be-Am-Co Inc.
1238 N. Fairfield Road, Dayton, OH 45432

Bemidji Bowl
2317 Bemidji Avenue, Bemidji, MN 56601

Betty-Frances Corp.
2245 Hudson Road, St. Paul, MN 55119

Blue Carollo Inc.
34244 Groesbeck, Fraser, MI 48026

Bonwood Ltd.
640 W. N. Temple, Salt Lake City, UT 84116

Bories Bowland Inc.
1559 S. Main Street, Akron, OH 44301

Bowl America Glassmanor Inc.
7043 Wimsatt Road, Springfield, VA 22150

Bowl America Inc.
6446 Edsall Road, Alexandria, VA 22312

Bowl New England Inc.
Mountain View Drive Box 42, Colchester, VT 05446

Bowl-N-Bun
Rural Route 4, Frankfort, IN 46041

Bowling Club 9W Inc.
150 Sylvan Avenue, Englewood Cliffs, NJ 07632

Boyd & Boyd Inc.
810 W. 56 Highway, Olathe, KS 66061

Broadview Bowl Inc.
2812 S. 17th Avenue, Maywood, IL 60153

Brutocao (L & A)
1060 W. San Bernardino, Covina, CA 91722

Buchaklian Corp.
333 W. Sunset Drive, Waukesha, WI 53186

Burr Oaks Bowl Corp.
2202 S. Park Street, Madison, WI 53713

Butler Bowl Inc.
1475 Rt. #23 South, Butler, NJ 07405

C Ville Lanes Inc.
2600 Lafayette Road, Crawfordsville, IN 47933

Capital Restaurant Supply Co.
4660 Highway 80 W., Jackson, MS 39209

Cedar Bowl Inc.
1100 S. Jeffers, North Platte, NE 69101

Center Realty
300 Raritan Center Parkway, Edison, NJ 08818

Charan Industries Inc.
1122 Franklin Avenue, Garden City, NY 11530

Cherry Hill Enterprises Inc.
300 N. Inkster, Dearborn, MI 48127

Chilli Bowl Inc.
615 W. Truitt, Chillicothe, IL 61523

Clapper Enterprises Inc.
3717 Minnesota Drive, Anchorage, AK 99502

Clevenger (Kerry)
2018 W. 2nd Street, Marion, IN 46952

College Bowl Inc.
2976 N. Market Avenue, Canton, OH 44714

Collins Bowling Lanes Inc.
786 New Circle Road NE, Lexington, KY 40505

Columbia Theatre Co.
600 106th NE, Bellevue, WA 98009

Concordia Corp.
40 Pearl Street NW, Grand Rapids, MI 49503

Conroy-Gorham Inc.
R-399 Main Street, Westbrook, ME 04092

Cortese Invest
1559 Botelho Drive, Walnut Creek, CA 94596

Cortez Lanes Inc.
907 Cortez Road, Bradenton, FL 33507

Cottonwood Lanes Inc.
5664 S. 900 E., Salt Lake City, UT 84121

Crescent Co. Inc.
Third Natiotnal Bank Building, Nashville, TN 37219

Creston Recreation
1357-59 Plainfield, Grand Rapids, MI 49505

Curless (Charles E.) Construction Co.
1/2 Mile N. Junction 71 & 160, Lamar, MO 64759

D L K Enterprises Inc.
1398 W. Main Street, Whitewater, WI 53190

Del Fair Lanes Inc.
5255 Delhi Road, Cincinnati, OH 45238

Delton Lanes Inc.
3544 W. 3500 S., Salt Lake City, UT 84119

Dependable Truck Leasing Corp.
2559 S. Archer Avenue, Chicago, IL 60608

Dessert Lanes
1545 N. 1st Street, Hermiston, OR 97838

Deutsch (Fabian & Leoris)
Main Street, Ellsworth, MN 56129

Dodick Enterprises Inc.
1700 S. Euclid, Bay City, MI 48706

Double B Bowling Inc.
PO Box 326, Pahrump, NV 89041

Downtown Lanes
176 Chestnut Street, Springfield, MA 01103

Dunns Lanes Inc.
1657 N. Union, Fostoria, OH 44830

Ellis Investments Inc.
399-419 Main Rd. Buttonwood, Wilkes Barre, PA 18702

Empire Bowl Inc.
940 W. Colton Avenue, Redlands, CA 92374

Erie County Investment Co.
1915-35 Cleveland Road, Sandusky, OH 44870

Erie Properties
5005 Washington Avenue, Evansville, IN 47715

Essig Inc.
6125 E. 38th Street, Indianapolis, IN 46226

Expo Bowl Inc.
5261 Elmwood Drive, Indianapolis, IN 46203

Expressway Lanes
3601 NW 167th Street, Opa Locka, FL 33054

Fair Lanes AZ Bowling Inc.
1112 N. Rolling Road, Baltimore, MD 21228

Fairlanes Recreation Center
3335 Fairlanes Avenue, Grandville, MI 49418

Family Bowl Inc.
60918 Southgate Road, Cambridge, OH 43725

Farmington Valley Recreation
1603 Hopmeadow Street, Simsbury, CT 06070
Ferraros Mid City Lanes Inc.
20-26 Cedar Street, Kingston, NY 12401
Fesko (William)
Rt. 41A, Skaneateles, NY 13152
Finger Lakes Bowl
2055 Rt. 5 & 20, Seneca Falls, NY 13148
Franklin Lanes Inc.
1801-1807 W. Franklin Street, Evansville, IN 47712
Frederick Business Prpts Co.
1209 East Street, Frederick, MD 21701
Galloway (J.C.) Enterprises Inc.
Hwy 80 W., Terrell, TX 75160
Garland Lanes Inc.
701 N. Garland Avenue, Youngstown, OH 44506
Golden Lanes Inc.
301 Balcombe Blvd., Simpsonville, SC 29681
Grand Bowl
2109 S. Grand, Amarillo, TX 79103
Gray (J & M) Corp.
2404 Palmer Hwy, Texas City, TX 77592
Greenacres Bowl
2311 E S E Loop 323, Tyler, TX 75701
Gueller (Robert T.)
205 Kommers, Mount Calvary, WI 53057
Hawthorne Corp.
6343 Fain Road, Charleston, SC 29402
Haysville Bowl
7106 S. Broadway, Haysville, KS 67060
Hi Spot Lanes Inc.
6310 W. Grand Avenue, Chicago, IL 60639
Hi-Line Lanes Inc.
333 Taylor Avenue N., Seattle, WA 98109
Hiester Lanes Inc.
801 Hiester Lane, Reading, PA 19605
High Country Corp.
1860 Lincoln, Denver, CO 80295
Hilltop Bowling Center Inc.
701 E. I-Hwy 30, Greenville, TX 75401
Hilltop Lanes
Midlothian Hwy, Waxahachie, TX 75165
Holiday Bowl Inc.
3730 Crenshaw Blvd., Los Angeles, CA 90016
Holiday Bowl
7515 Lomas NE, Albuquerque, NM 87110
Holiday Lanes
3315 Old Minden Road, Bossier City, LA 71112
Holiday Lanes
10350 W. Colfax, Denver, CO 80215

Holiday Lanes Inc.
44 SE 44th, Oklahoma City, OK 73129

Holly-Wood Bowl Inc.
1811 N. Yellowstone, Idaho Falls, ID 83401

Hudson Enterprises
U.S. Highway #60, Sullivan, KY 42460

Hunt (Dr. Jack G.)
204 Washington, Doniphan, MO 63935

J-T-S Inc.
655 E. Pershing Road, Decatur, IL 62526

Jansons Austin Bowl Inc.
2101-13 S. Cicero Avenue, Chicago, IL 60650

Janss IV Recreation Inc.
125 W. Thousand Oaks Blvd., Thousand Oaks, CA 91368

Johnston & Washer
1001 Riverside Drive, Burbank, CA 91506

Jordan Enterprises Inc.
731 Jordan Parkway, Whitehall, PA 18052

Jorgensens
980 s. Main, Richfield, UT 84701

K A O Bowl Inc.
Highway 32 N. Box 237, Effingham, IL 62401

Kachemak Bowl
672 East Road, Homer, AK 99603

Kerrville Bowling Center Inc.
1107 Junction Hwy., Kerrville, TX 78028

King Louie Enterprises Inc.
1635 George Washington Blvd., Wichita, KS 67211

Kintetsu Enterprises Co. of America
1520 Webster, San Francisco, CA 94115

Kinzers (Phil) All-New Jupiter Lanes
11366 Jupiter Road, Dallas, TX 75218

Klema (Gerald W.)
69-70 Michigan Street, Wilson, KS 67490

La Guardia Lanes Inc.
19-45 49th Street, Long Island City, NY 11105

Laurel Bowl
1234 Laurel Lane, San Luis Obispo, CA 93401

Leisure Lanes of Lancaster Inc.
3440 Columbia Avenue, Lancaster, PA 17603

Leland Lanes Inc.
1125 26th Avenue E., Tuscaloosa, AL 35404

Linbrook Bowling Center
201 S. Brookhurst Street, Anaheim, CA 92804

Lincoln Heights Investment Co.
E 3023 28th, Spokane, WA 99203

Linstrom & Lipscombe
531 N. State, Pleasant Grove, UT 84062

Logan Lanes Inc.
1161 N. Main, Logan, UT 84321

Lucky Lanes Inc.
13255 San Pablo Avenue, San Pablo, CA 94806
M-66 Bowl Inc.
19794 Capital NE, Battle Creek, MI 49017
Mancuso (Charles) & Son Inc.
210 East Main Street, Batavia, NY 14020
Manipa Inc.
4224 Cleveland Avenue, Fort Myers, FL 33901
Marc Bowling Inc.
987 Stewart Avenue, Garden City, NY 11530
Marcus Corp.
212 W. Wisconsin Avenue, Milwaukee, WI 53203
Mardi-Bob Bowling Inc.
45 Taft Avenue, Poughkeepsie, NY 12603
Medina Recreations Inc.
500 Hwy #55, Hamel, MN 55340
Metro Bowl Inc.
77 Brink Street, Crystal Lake, IL 60014
Mixon Investment Co. Inc.
725 Preston Forest Shopping Center, Dallas, TX 75230
Monitor Lanes Inc.
1700 S. Euclid, Bay City, MI 48706
Mundelein Lanes Inc.
900 S. Lake, Rt. 45, Mundelein, IL 60060
Muscatine Properties Inc.
1411 Grandview, Muscatine, IA 52761
Nationwide Bowling Corp.
1 Garfield Avenue, Jersey City, NJ 07305
Nortel Inc.
611 N. Telegraph Road, Monroe, MI 48161
Norwalk Bowling Center Inc.
84 Whittlesly, Norwalk, OH 44857
Okieland Bowling Center
NW of Town Hwy 59, Grove, OK 74344
Pacific Lanes
2009 W. Osage, Pacific, MO 63069
Pacific Lanes Inc.
7015 S. D Street, Tacoma, WA 98408
Palm Springs Lane
491 W. 65th Street, Hialeah, FL 33012
Park Plaza Amusement Co.
3931 Park Avenue, Memphis, TN 38111
Passarelli (Guido) & Son Inc.
1600 Hylan Blvd., Staten Island, NY 10305
Pawnee Astro Bowl Inc.
Highway 114, Dexter, MO 63841
Peoria Bowl Mor Lanes Inc.
3416 N. University Avenue, Peoria, IL 61604
Person & Person Inc.
13410 8th Street E., Sumner, WA 98390

Phillips Lanes
Highway #68 S., Campbellsville, KY 42718
Pine Tree Amusement Center
131 Main Street, Westbrook, ME 04092
Pinsetters Inc.
2600 Watt Avenue, Sacramento, CA 95821
Plaza Lanes Inc.
2701 Douglas, Des Moines, IA 50310
Port Malabar Bowling Center
2170 Port Malabar Blvd. NE, Melbourne, FL 32905
Rainbow Gardens Corp.
1851 Valley Drive, Ogden, UT 84401
Rainbow Lanes Inc.
3224 S. High Street, Columbus, OH 43207
Raines (Jack)
518 N. Mansion Road, Chelan, WA 98816
Randall Stores Inc.
1705 N. Main, Mitchell, SD 57301
Reber Investment Corp.
146-148 E. City Center, St. George, UT 84770
Red Head Enterprises Inc.
6164 Hwy. 9, Felton, CA 95018
Red Rochester Mens Club Inc.
1001 Lexington Avenue, Rochester, NY 14606
Regal Lanes Ltd.
1485 N. Tustin Avenue, Orange, CA 92667
Right Recreation Inc.
2121 N. 22nd Street, Decatur, IL 62526
River Rand Bowl Inc.
191 N. River Road, Des Plaines, IL 60016
Riviera Bowling Lanes Inc.
20 S. Miller Road, Akron, OH 44313
Rocky Springs Bowling Lanes Inc.
S. Duke Street Extn., Lancaster, PA 17603
Romart Enterprises Inc.
9003-9015 Manchester Road, St. Louis, MO 63144
Sampson Investments
222 E. Erie Street, Milwaukee, WI 53202
Sandpoint Bowl Inc.
120 S. Division, Sandpoint, ID 83864
Santa Teresa Lanes Inc.
7554 Monterey, Gilroy, CA 95020
Semb (Ralph)
French King Highway, Millers Falls, MA 01349
Shaffer (Albert) Trucking Inc.
Rt #7, Box 251, Masontown, WV 26542
Shawnee Village Bowl Inc.
6638 Nieman Road, Shawnee Mission, KS 66203
Sheridan Floral & Gift
525 1st Avenue N., Plentywood, MT 59254

Showboat Inc.

2800 E. Fremont, Las Vegas, NV 89104

Sierra Vista Lanes Ltd.

11080 Magnolia Avenue, Riverside, CA 92505

Silver Bowl Inc.

8301 W. Silver Spring, Milwaukee, WI 53218

Skyline Lanes

1770 W. Broadway, Idaho Falls, ID 83402

Snow Bowl II Inc.

29585 U.S. Highway 40, Steamboat Springs, CO 80477

Spillway Lanes Inc.

1025 Outer Park Drive, Springfield, IL 62704

Sports Arenas Inc.

265 E Street, Chula Vista, CA 92010

Sports West Joint Venture

308 46th Bypass S., Seguin, TX 78155

Star Dust Lanes Inc.

2520 26th Avenue S., Minneapolis, MN 55406

Star Properties Corp.

Hwy #34, Barnesville, MN 56514

Starlite Lanes & Lounge

837 N. Federal, Riverton, WY 82501

Stratford Enterprises Inc.

2425 N. Dixie Highway, Lake Worth, FL 33460

Suburban Developers Inc.

7120 4th Street #7, Scottsdale, AZ 85251

Suburbanite Bowl Inc.

251 W. Ogden Avenue, Westmont, IL 60559

Sunset Bowling Lanes Inc.

Hwy #123 S., San Marcos, TX 78666

Szimkanick (Alexander & Michael)

Rt. #18 Big Beaver Blvd., Beaver Falls, PA 15010

T Bird Inc.

1251 Pine Lake Road, La Porte, IN 46350

Tangerine Bowl Inc.

3600 Maine Street, Quincy, IL 62301

Thunder Bowl & Lounge Inc.

4200 Allen Road, Allen Park, MI 48101

Totem Bowl & Investment Inc.

13033 NE 70th Place, Kirkland, WA 98033

Twentieth Century Bowl Lanes

4712 State Street, Boise, ID 83703

Twentieth Century Bowling Inc.

505 S. Duff Avenue, Ames, IA 50010

Universal Bowling Inc.

2015 W. First Street, Santa Ana, CA 92703

Val Lanes Inc.

100 Ashworth Road, Des Moines, IA 50265

Vien Richard and De Von

East Highway #212, Montevideo, MN 56265

Vista Lanes Ltd.
225 Wilcox Avenue, Tucson, AZ 85705
Voit Corp.
45 Gould Street, Rochester, NY 14610
Warrior Leasing Co. Inc.
1230 N. Highway 1A, Melbourne, FL 32937
Wasatch Bowling Inc.
4015 Wasatch Blvd., Salt Lake City, UT 84124
Western Lanes Inc.
904 S. Taylor Street, Green Bay, WI 54303
Westlake Recreation Center
99 Southgate Avenue, Daly City, CA 94015
Woodland Bowl Inc.
8463 Castlewood Drive, Indianapolis, IN 46250
Woodland Lanes Inc.
33775 Plymouth, Livonia, MI 48150
York Little Lanes Inc.
419 W. Little York, Houston, TX 77076
Yoshimoto (W. T.) Corporation
3059 Ualena Street, Honolulu, HI 96813
Zavakos Enterprises Inc.
415 E. Helena Street, Dayton, OH 45404

*Source: Dun & Bradstreet 1987 Million Dollar Directory

**LIST OF MAJOR BOWLING INDUSTRY TRADE ASSOCIATIONS
AND TRADE JOURNALS**

AMERICAN BOWLING CONGRESS

5301 South 76th St.
Greendale, WI 53129 (414-421-6400)

BILLIARD & BOWLING INSTITUTE OF AMERICA

200 Castlewood Drive
North Palm Beach, FL 33408 (305-842-4100)

BOWLING PROPRIETOR MAGAZINE

(official publication of the BPAA)
editorial office: Box 5802, Arlington, TX 76005
nonmember subscriptions: \$15 per year

BOWLER'S JOURNAL

101 E. Erie
Chicago, IL 60611 (312-266-7171)

BOWLING PROPRIETOR'S ASSOCIATION OF AMERICA

615 Six Flags Drive
Arlington, TX 76011 (817-649-5105)

NATIONAL BOWLING COUNCIL

1919 Pennsylvania Ave.
Suite 504
Washington, DC 20006 (202-659-9070)

PROFESSIONAL BOWLER'S ASSOCIATION

1720 Merriman Rd.
Akron, OH 44313 (216-836-5568)

WOMEN'S INTERNATIONAL BOWLING CONGRESS

5301 S. 76th St.
Greendale, WI 53129 (414-421-9000)

WOMEN BOWLER'S MAGAZINE (see WIBC)

YOUNG AMERICAN BOWLING ALLIANCE (see WIBC)